



COMMONWEALTH OF AUSTRALIA.

Parliament

PARLIAMENTARY DEBATES.

FIRST SESSION, 1920.

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EIGHTH PARLIAMENT.

FIRST SESSION.

Governor-General.*

His Excellency the Right Honorable HENRY WILLIAM, BARON FORSTER, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, and Commander-in-Chief in and over the Commonwealth of Australia.

* From 6th October, 1920.

Australian National Government.

(From 10th January, 1918.)

Prime Minister and Attorney-General	..	The Right Honorable William Morris Hughes, P.C., K.C.
Minister for the Navy	..	The Right Honorable Sir Joseph Cook, P.C., G.C.M.G.
		<i>Succeeded by</i>
		The Honorable W. H. Laird Smith (28th July, 1920).
Treasurer	..	The Right Honorable Lord Forrest, P.C., G.C.M.G.
		<i>Succeeded by</i>
		The Right Honorable William Alexander Watt, P.C. (27th March, 1918).†††
		<i>Succeeded by</i>
		The Right Honorable Sir Joseph Cook, P.C., G.C.M.G. (28th July, 1920).
Minister for Defence	..	The Honorable George Foster Pearce.
Minister for Repatriation	..	The Honorable Edward Davis Millen.
Minister for Works and Railways	..	The Right Honorable William Alexander Watt, P.C.
		<i>Succeeded by</i>
		The Honorable Littleton Ernest Groom (27th March, 1918).
Minister for Home and Territories	..	The Honorable Patrick McMahon Glynn, K.C.†††
		<i>Succeeded by</i>
		The Honorable Alexander Poynton, O.B.E. (4th February, 1920).
Minister for Trade and Customs	..	The Honorable Jens August Jensen.†
		<i>Succeeded by</i>
		The Right Honorable William Alexander Watt, P.C. (13th December, 1918).
		<i>Succeeded by</i>
		The Honorable Walter Massy Greene (17th January, 1919).
Postmaster-General	..	The Honorable William Webster.†††
		<i>Succeeded by</i>
		The Honorable George Henry Wise (4th February, 1920).
Vice-President of the Executive Council	..	The Honorable Littleton Ernest Groom.
		<i>Succeeded by</i>
		The Honorable Edward John Russell (27th March, 1918).
Honorary Minister	..	The Honorable Edward John Russell.
		Appointed Vice-President of the Executive Council, 27th March, 1918.
Honorary Minister	..	The Honorable Alexander Poynton.
		Appointed Minister for Home and Territories, 4th February, 1920.
Honorary Minister	..	The Honorable George Henry Wise.
		Appointed Postmaster-General, 4th February, 1920.
Honorary Minister	..	The Honorable Walter Massy Greene.
		Appointed Minister for Trade and Customs, 17th January, 1919.*
Honorary Minister	..	The Honorable Richard Beaumont Orchard.**
Honorary Minister	..	The Honorable Sir Granville de Laune Ryrie, K.C.M.G., C.B., V.D.††
Honorary Minister	..	The Honorable William Henry Laird Smith.††
		Appointed Minister for the Navy, 28th July, 1920.
Honorary Minister	..	The Honorable Arthur Stanislaus Rodgers.***

* Appointed 26th March, 1918. —† Removed from office, 13th December, 1918. —** Resigned office, 31st January, 1919. —†† Appointed 4th February, 1920. —††† Resigned 3rd February, 1920. —†††† Resignation from office gazetted, 15th June, 1920. —*** Appointed 28th July, 1920.

Senators.

(From 1st July, 1920.)

President—Senator the Honorable Thomas Givens.

Chairman of Committees—Senator Thomas Jerome Kingston Bakhap.

* Adamson, John, C.B.E. (Q.)	* Glasgow, Sir Thomas William, K.C.B., C.M.G., D.S.O. (Q.)
Bakhap, Thomas Jerome Kingston (T.)	* Guthrie, James Francis (V.)
* Benny, Benjamin (S.A.)	Guthrie, Robert Storrie (S.A.)
Bolton, William Kinsey, C.B.E., V.D. (V.)	Henderson, George (W.A.)
⁸ Buzacott, Richard (W.A.)	Keating, Hon. John Henry (T.)
* Cox, Charles Frederick, C.B., C.M.G. (N.S.W.)	* Lynch, Patrick Joseph (W.A.)
Crawford, Thomas William (Q.)	Millen, Hon. Edward Davis (N.S.W.)
De Largie, Hon. Hugh (W.A.)	* Millen, John Dunlop (T.)
* Drake-Brockman, Edmund Alfred, C.B., C.M.G., D.S.O. (W.A.)	* Newland, John, C.B.E. (S.A.)
* Duncan, Walter Leslie (N.S.W.)	* Payne, Hon. Herbert James Mockford (T.)
Earle, Hon. John (T.)	² Pearce, Hon. George Foster (W.A.)
* Elliott, Harold Edward, C.B., C.M.G., D.S.O., D.C.M. (V.)	¹ Plain, William (V.)
Fairbairn, George (V.)	Pratten, Herbert Edward (N.S.W.)
Foll, Hattil Spencer (Q.)	Reid, Matthew (Q.)
² Foster, George Matthew (T.)	¹ Rowell, James, C.B. (S.A.)
* Gardiner, Albert (N.S.W.)	* Russell, Hon. Edward John (V.)
* Givens, Hon. Thomas (Q.)	Senior, William (S.A.)
	Thomas, Hon. Josiah (N.S.W.)
	* Wilson, Reginald Victor (S.A.)

1. Appointed Temporary Chairman of Committees, 21st July, 1920. 2. Elected 13th December, 1919. Sworn 21st July, 1920. 3. Appointed Temporary Chairman of Committees, 26th February, 1920. * Elected 13th December, 1919. Sworn 1st July, 1920.

Senate.*Wednesday, 20 October, 1920.*

The **PRESIDENT** (Senator the Hon. T. Givens) took the chair at 3 p.m., and read prayers.

CONTROL OF PARLIAMENTARY OFFICERS.**PAPER.**

The **PRESIDENT**.—I desire to lay upon the table of the Senate a paper for the information of honorable senators. I would have tabled this paper upon Thursday last but for the fact that it is one which is jointly signed by Mr. Speaker and myself, and that I did not then have the Speaker's permission to do so. However, I take this opportunity of laying it upon the table of the Senate, and I think it will show that instead of desiring to arrogate to ourselves any authority over parliamentary officers that we do not possess, we wish to be relieved of our authority in that connexion at the earliest possible moment. The paper contains a recommendation to the Prime Minister that the officers of this Parliament in regard to classification, fixation of salaries, &c., shall be placed under the control of the Public Service Commissioner.

Motion (by Senator PEARCE) proposed—

That the paper be printed.

Senator GARDINER (New South Wales) [3.4].—I understand, sir, that the paper which you have just laid upon the table of the Senate recommends that the officers who are employed in this particular establishment shall, for the future, come under the authority of the Public Service Commissioner.

The **PRESIDENT**.—That is our recommendation.

Senator GARDINER.—Before discussing this question it would be wise for honorable senators to have the whole of the facts placed before them. But upon the motion for the printing of this paper I wish to say that in view of the indignant manner in which you, sir, resented a proposal for an inquiry into the affairs of the Senate, and into the treatment of

officers of this Chamber, the recommendation which you have now made is a complete backdown. It invites us to abrogate the functions of this Parliament by handing over to another body the power to interfere with the management of this establishment. If that course be followed, and if we surrender to an outside tribunal the control of our parliamentary officers, it would be within the power of that body to make the conditions under which we perform our duties so difficult as to render their efficient discharge impossible. I realize that you, sir, have experienced some little trouble in managing the staff of this Chamber, and I recognise that your predecessors have had a similar experience. I have no doubt, too, that your successors in the days to come will find themselves in the same position. But the difficulty will be increased and not lessened if, in addition to managing the existing staff, you have also to manage a Public Service Commissioner or a Public Service Board. I look upon Parliament as the supreme Court—the highest Court—which controls not merely its own staff, but also the whole of the people of Australia by means of its wisely designed legislation and by the administration of that legislation. Holding that view, I do not like the idea of calling in an outside body to assist us in the management of our own officers. More than that, with a strong Public Service Board and a weak President—a condition of affairs readily conceivable—our position here would become intolerable.

Senator FOLL.—Is not the recommendation of the President and Speaker merely that our parliamentary officers shall be transferred to the control of the Public Service Commissioner for classification purposes?

Senator GARDINER.—Whenever I see the rights of this Senate being interfered with in any way, I am not inclined to say that one infringement is a small one, and that another is a big one. My protest is against the principle of infringement. I take it that this Parliament is absolutely supreme, and is not to be compared in any way with outside Departments of the Public Service.

Senator BENNY.—Parliament should always control its own officers.

Senator GARDINER.—It must set the example of controlling its own officers, and it can ill-afford to voice an admission that it is incompetent to manage its own staff—so incompetent that it has to call to its aid an outside body for the purpose of classifying the members of that staff. I object to the recommendation which is contained in the paper that has been submitted, on the ground that it is altogether derogatory to the dignity of Parliament. Honorable senators ought, therefore, to protest against it. Personally, I recognise that you, sir, during the many years that you have occupied the office of President, must have been confronted with many matters that were disturbing and difficult to deal with. A staff composed as is that of this Parliament will always bring to you certain irritating troubles, but that is no reason why they should be brushed aside by the simple expedient of leaving the ills we know of to, say, a Public Service Board, and allowing that Board a controlling voice with you in the management of this particular establishment. Let me instance a personal matter which has come under my own notice. Until quite recently, the officer who acts as secretary to me in my capacity as Leader of the Opposition, and who will discharge similar duties when I am gone, was under the control of the Public Service Commissioner. He was given notice by the Commissioner that his services were to terminate on the 31st December last. He is a married man with a family. He had been in the Service since 1914, but did not go to the war—during which period, as we all know, no temporary officers were made permanent. However, as I was not prepared to hand over my correspondence to some one I did not know, I protested against the dismissal of an officer who had served me in a manner to which I could take absolutely no exception, and whose trustworthiness was beyond question; but the Public Service Commissioner was quite satisfied that he must be replaced, and my protests were of no avail. This was an officer who, to all intents and purposes, was attached to the Senate, seeing that he was serving some one who was a member of the Senate, but he was not under the control of Mr.

Speaker or the President. However, there has been a long drawn-out correspondence for nine months on this question, terminating in the officer going out of the Public Service; but a compromise has been arrived at by which a certain salary is placed on the Estimates, and I may engage whom I like to take charge of my correspondence. It is an unsatisfactory arrangement so far as the officer himself is concerned.

Senator BAKHAP.—But it certainly vindicates the stand taken up by the honorable senator.

Senator GARDINER.—That is true; but my point is that months of irritating annoyance have been occasioned to me because of the unjustifiable interference of the Public Service Commissioner in this regard. I need not appeal to honorable senators. They would feel equally with me how objectionable it is to be obliged to intrust one's correspondence to a stranger, particularly one who is replacing a man in whom confidence has been displayed, not only by myself, but also by my predecessor, Senator E. D. Millen, whom he was serving when that honorable senator was Leader of the Opposition. In fact, it was on that honorable senator's recommendation that, when I became Leader of the Opposition, I continued to employ this officer in the position he was then occupying. I merely mention this matter to show that the prospect of placing the attendants attached to the Senate under the control of the Public Service Commissioner are not very encouraging. In fact, I venture to say that we ought not to agree to the recommendation to transfer them from the control of the President. I protest against control being exercised over officers of either House by any one but constitutional officers of Parliament elected to their positions by the members of either House. Parliament is supreme over every Department, and is the highest Court in the Commonwealth, and we have no right to say that we are prepared to intrust the management of its affairs to any body except that which is directly appointed by honorable members of either House.

Senator DE LARGIE (Western Australia) [3.14].—In view of the fact that I have a motion on the business-paper

dealing with the attendants of the Senate, I think the President (Senator Givens) has taken up a most extraordinary attitude in apparently presuming that this is a purely personal matter. On the contrary, it is one for the consideration of the Senate, or of the various Committees appointed by the Senate. In any case, I think the Senate should have been consulted, and its opinion taken before the submission of a recommendation to the effect that the servants of Parliament should be transferred to the control of the Public Service Commissioner, when Parliament has very rightly decided that they must be under the control of honorable members of both Houses.

Senator KEATING.—Hear, hear!

Senator DE LARGIE.—And, before any alteration in that regard is made, honorable members of both Houses should give a decision upon it.

Senator WILSON.—This is merely a recommendation for the consideration of the Senate.

Senator DE LARGIE.—I take it to be an expression of the desire of the President to resign from a position he occupies by virtue of his office, and a recommendation on his part that in future, instead of senators having any say in the appointment of the officers of this House, the control of these officers should be vested in the Public Service Commissioner.

Senator BAKHAP.—Would not the Public Service Act have to be amended before any effect could be given to the recommendation?

The PRESIDENT (Senator the Hon. T. Givens).—The recommendation is that the Government should consider the desirableness of doing so when the Public Service Act is being amended. It cannot be done in any other way.

Senator DE LARGIE.—The step taken by the President to-day seems to me to be an underhand way of getting behind the motion which is now before the Senate, and which, I contend, should be first disposed of before anything else is done.

The PRESIDENT.—If the honorable senator will look at the document he will not make that mistake, because the recommendation was made and sent in on the 3rd June last.

Senator DE LARGIE.—In view of the fact that it has not been made public,

and that honorable senators have known nothing about this document, in my opinion it should have been allowed to remain where it has been reposing until the motion on the business-paper touching on the same question has been disposed of. The motion raises the question of the desirability of appointing a Select Committee to inquire into all these matters, and goes a great deal further than is proposed in the recommendation read to us by the President. If the President does not wish to fulfil duties which his post imposes on him, I have no objection to him resigning, or recommending that they should be intrusted to some one else. During his administration so many debatable questions have arisen that the inquiry suggested in my motion has become an absolute necessity, and evidently the President recognises this. At any rate, one would judge so by the attitude he has taken up to-day. It is the most extraordinary stand imaginable in the circumstances. However, I think the motion asking for an inquiry should be proceeded with. If the Senate approved of it, Parliament would know exactly the position of the various Committees in relation to the President, and whether it would be better to transfer the control of the officers of the Senate to the Public Service Commissioner. To bring forward a proposal of the kind at this juncture seems to me an attempt to get behind my motion.

Senator BAKHAP (Tasmania) [3.20].—When the recommendation was tabled, I had some doubt as to whether it could be given effect to without an amendment of the Public Service Act. Now, sir, I want to tell you this: I have the very greatest respect for your position and for you personally; but I would hesitate to vote for, or be a party to, any movement the object of which was to relieve you of certain functions vested in you by virtue of your position. I believe you are the proper person to discharge those duties, I am sorry if some of the criticism that has been directed at you irritates, but I am going to support you in your position, for I believe you have carried out your duties excellently. Notwithstanding that the recommendation is to be printed, I tell honorable senators that I will in no sense be a party to any action that will cause legal sanction to be given to

the abrogation of any powers that are at present vested in you. With Senator Gardiner, with whom I do not often agree, I believe that Parliament, which creates all Departments, should be supreme in regard to the supervision of the officers under its immediate control for the carrying out of our individual and collective duties. Parliament, and the Senate in particular, would be doing something very far-reaching in its ultimate effect, and pernicious to a degree, if we, with all due respect to you, sir, sanctioned the recommendation contained in the paper, the motion to print which is now before the Senate. If out of courtesy to you, sir, I support the motion, I hope it will not be taken to indicate that I approve in any way of the recommendation, for I have sufficient confidence in you to know that you will always discharge your duties in a satisfactory manner. I shall vote for the motion, but I shall strongly oppose any attempt to so alter the Public Service Act as to give effect to the recommendation to the Prime Minister.

Senator KEATING (Tasmania) [3.24].

—We are all indebted to Senator Gardiner for opportunely sounding a very grave note of warning in connexion with this particular matter. We are under a disadvantage in discussing the motion owing to the fact that we do not know the contents of the paper. Very often on motions of this kind we are acquainted with the whole of the contents of a certain paper, because it has either been printed previously and circulated amongst members elsewhere, or we have had access to it; but on this occasion we only know, from the statement given by you, sir, what is its purport. Like Senator Gardiner and Senator Bakhap, I strongly believe in Parliament retaining the control of its own officers. Senator Gardiner gave an illustration of the disadvantages of any other system. There is a personal note in his statement, because it relates to an officer who acts as private secretary to the Leader of the Opposition in the Senate, and, as he has pointed out, certain action taken by the Public Service Commissioner has led to a very lengthy correspondence on the subject, with the result that it is now left to Senator Gardiner, personally, to select his own secretary to replace the one who has been acting for

him, and also for Senator E. D. Millen, his predecessor. This is not at all a desirable position. But let me take another illustration—that of an officer acting on behalf of all the senators. It may seem unimportant, but, as a matter of fact, it is highly important, and it strengthens the position as stated by Senator Gardiner. We have a network of telephones here, and an attendant at the parliamentary telephone switchboard. That attendant very rarely comes in contact with members of either House, but, after he has been at the switchboard for a little while, he begins to learn about the movements of individual members, so that when he receives a call on the telephone at any particular hour of the day, the attendant is almost certain to know whether or not the member referred to has arrived, whether he is likely to be found in the Library or some other part of the building; or, if not, whether he is engaged elsewhere in the city, and what number is likely to get him either on his private telephone or at his place of business. He quickly becomes acquainted with the habits and movements of every individual member, but, unfortunately, as he acquires this experience it frequently happens that he is removed from the switchboard, and another attendant takes his place, with the result that, when the exchange calls for some particular member, the new attendant, not being acquainted with his movements, makes a general inquiry, and then, if unsuccessful, advises the caller that he is not about. I know of numbers of instances in which this has occurred, all due to the fact that the attendant is unaware of the movements of members. Of course, I am not blaming the attendants. They have shown themselves, one and all, very apt and ready to familiarize themselves with the procedure of the two Houses, and the activities of the Committees with which members are associated; but, unfortunately, they have hardly time to acquire this particular knowledge before they are removed. If they were under the control of Parliament, or of its duly accredited authorities in both Houses, we would have a much better service, and the position would be more satisfactory in every respect. I hope that, when the opportunity comes for the discussion of this particular matter, the Senate, as well as the House of Re-

presentatives, will evince a desire to retain full and complete control over all the officers of Parliament.

Senator PEARCE (Western Australia—Minister for Defence) [3.28].—I had no idea, when I submitted the motion, that there would be any discussion at all, because I thought that honorable senators would want to ascertain what the document contained, and my object, in submitting the motion for the printing of the paper referred to, was to give them that opportunity. I do not think it is quite fair to assume, as Senator de Largie seemed to assume, that this document had been produced as the result of a motion which he had placed upon the notice-paper. It is only fair to the President (Senator Givens) to point out that the document is dated 3rd June, 1920, so that it is obvious that it could not have been the result of the motion submitted by Senator de Largie last week. Again, as the President has pointed out, this is a recommendation to the Government for consideration in connexion with the proposed amendment to the Public Service Act, and that being so, no action could be taken upon it either by the Government or the President and Speaker, without the indorsement of Parliament. Therefore the President could not be said to be going behind the back of Parliament. As a matter of fact, in the course now being taken, he is seeking to bring the matter before Parliament in the only way possible.

Senator KEATING.—It is hoped that the Government will not accept the recommendation and embody it in a Bill, making it a Government measure.

Senator PEARCE.—The Government are not likely to do that, because this is a question for the Parliament, and not for the Government. The Government may be here to-day, and gone to-morrow.

Senator BAKHAP.—We hope not, at all events.

Senator PEARCE.—I am, of course, speaking figuratively. This is a question for Parliament, and if the Government submitted any proposal, it would, of course, be for the consideration of Parliament. There would be no endeavour to crack the party whip over a question like this. But, as the point has been raised, I wish to make it clear that I

have a perfectly open mind on this subject. I am not going to commit myself, but I refuse to attach to the motion that great importance which some honorable senators have tried to attach to it. It does not propose, as honorable senators seem to think, to take the officers of the Parliament out of the control of Mr. President and Mr. Speaker. As I read the proposal, it is that, as regards the classification of those officers and the fixation of their salaries, the recommendation shall come from the Public Service Commissioner in the same way as all other public servants' salaries and classifications are dealt with by him.

Senator DE LARGIE.—That means practically the whole control.

Senator PEARCE.—It does not. The Public Service Act, in respect of the Public Service generally, goes very much further. For instance, the President and the Speaker have the power to suspend any officer of Parliament, or to dismiss any officer of Parliament. No Minister has that power of dismissal. Under the Public Service Act, a Minister may suspend, but he cannot dismiss. That can only be done by the Public Service Commissioner after a long and complicated process laid down in the Public Service Act itself. The only proposal that the President and Speaker are putting forward for the consideration of the Government is that, should an amending Public Service Bill be brought in, then the classification and fixation of the salaries of the officers of Parliament should be done by the Public Service Commissioner, and not by them. I do not commit myself on that question. I express no opinion on it, but that is what it amounts to. I do not see, therefore, that we can say it is a very grave or important matter. It has importance, but it does not warrant the terms that have been applied to it. The printing of the paper will enable honorable senators to read it for themselves. If the Government adopt the recommendation it contains there will be ample opportunity before the Bill amending the Public Service Act comes forward for honorable senators to make up their minds regarding it, and to deal with it in a legislative way.

Question resolved in the affirmative.

COLLINS BROTHERS' WOOL FLANNEL CONTRACT.

Senator WILSON (for Senator J. F. GUTHRIE) asked the Minister for Defence, *upon notice*—

1. Whether Collins Brothers, of Geelong, or any other woollen manufacturers, accepted Government contracts for the supply of all wool flannel required for our soldiers and supplied adulterated material?

2. Will the Minister make available the whole of the correspondence between the Department of Military Supplies and Collins Brothers, of Geelong, relative to the contract or contracts with the manufacturers mentioned?

Senator PEARCE.—The answers are—

1. Collins Brothers supplied flannel to the Department, in 1916, which was not up to the contract standard, and which was accepted at a reduced price.

2. The honorable member may see the official file of correspondence on the subject at the Defence Department on application to the Secretary for Defence.

NORTHERN TERRITORY.

MR. JUSTICE EWING: DISMISSED
OFFICIALS.

Senator ELLIOTT asked the Minister representing the Minister for Home and Territories, *upon notice*—

1. Have the Government been able to recover from Mr. Justice Ewing the moneys expended by him beyond his authority when acting as a Royal Commission in the Northern Territory; and, if not, why not?

2. When may the report of the Solicitor-General in relation to the dismissed officials of the Northern Territory be expected to be laid on the table of the Senate, as recently promised, and will the Minister expedite the matter?

Senator RUSSELL.—The answers are—

1. The Prime Minister is now in communication with Mr. Justice Ewing on this matter.

2. In view of legal action contemplated by the late officers, it is not now intended to make available the Solicitor-General's report.

RECORDS OF AUSTRALIAN IMPERIAL FORCE.

Senator ELLIOTT asked the Minister for Defence, *upon notice*—

Is he aware whether a great quantity of the original records of the Australian Imperial Force, comprising historic documents of great value and absolutely irreplaceable, are now stored in an inflammable wooden building, viz., the Engineers' Depot, near Alexandra-avenue?

If this is the case, will the Minister take early steps to remove them to safer premises?—

Senator PEARCE.—The records were transferred to the Australian War Museum on 1st August last. The present building is admittedly not suitable, but every possible precaution is taken to safeguard them. Arrangements have been made for their transfer to a building which is being rendered as nearly as possible fireproof. Their transfer to this building will be made by the end of next month.

PAPERS.

The following papers were presented:—

Public Service Act.—Promotion of J. F. B. Carroll, Postmaster-General's Department.
Promotion of J. D. Chettle, Prime Minister's Department.

War Gratuity Acts.—Regulations amended.
—Statutory Rules 1920, No. 154.

ASSENT TO BILLS.

Assent to the following Bills reported:—

Supply Bill (No. 4) 1920-21.
War Service Homes Bill.

JUDICIARY BILL.

SECOND READING.

Debate resumed from 14th October (*vide* page 5619), on motion by Senator PEARCE—

That this Bill be now read a second time.

Senator KEATING (Tasmania) [3.35].—This Bill, although very small in appearance, will be very far-reaching in its effects if we pass it into law in its present form. Its two principal provisions amount to radical alterations of the existing Judiciary Act as brought up to date. The first of these radical alterations provides that, for the future, constitutional questions may be determined by three concurring Justices of the High Court. Honorable senators will appreciate the fact that constitutional questions almost invariably affect not merely the Commonwealth but each of the States. The High Court is a body, as has been very aptly said, which is constituted to guard the Constitution. There is in certain quarters a disposition, as exhibited on several occasions, to call in question the very existence of the High Court, or rather the justification for that existence.

Senator BAKHAP.—I am sorry to say that some of the High Court Justices

recently seemed to abrogate the doctrine that the High Court defends, or should defend, the Constitution.

Senator KEATING.—That is an illustration of what I was just saying. The honorable senator takes exception to a decision of the High Court, and is, therefore, prepared to criticise the High Court as an institution. Many honorable senators and members of the public are apt to look upon the High Court as an institution which to some extent shackles and limits the expression of the people's will. We must get back to the fundamental principle that, just as the Parliament of the Commonwealth is the creation of the people of the Commonwealth according to the will of the people of the several States, expressed at referenda taken at the initiation of Federation, so, too, is the High Court the creation of the people of the Commonwealth, and its existence is the expression of their will. It is an independent and co-ordinate organ of the government of the Commonwealth. That part of the Commonwealth Constitution which is headed "The Judicature" opens with the words "The judicial power of the Commonwealth shall be vested in a Federal Supreme Court to be called the High Court of Australia. . . ." The High Court is, therefore, equally the creation of the Commonwealth people with this Parliament. This Parliament did not create the High Court, although it designated, through its Executive, the particular holders of the first offices and their successors. The High Court has been brought into being just the same as this Parliament has been, and its functions are assigned to it by the Constitution. It has to determine whether or not after the establishment of the Commonwealth any legislation by State or Commonwealth which may be called in question is valid or invalid.

Originally the High Court consisted of three members, and a majority of them, that is two, were able to give a final and binding decision as to the constitutionality or otherwise of a State or Federal Act. Later, the High Court was increased numerically from three to five Justices, and three out of the five were able to give a binding decision as to the constitutionality or otherwise of State or Federal legislation. Since this Bill was introduced, these circumstances have been quoted as a reason why we should regard three Justices, if

concurring, as quite sufficient to give a binding decision as to the validity or constitutionality of a State or Commonwealth Act. I contend that those circumstances do not justify us in adopting this proposal, because at the time Parliament made the present provision, namely, that an absolute majority of the full Bench of seven Justices should be required to concur in determining the validity or otherwise of State or Commonwealth legislation, this Parliament had before it the fact that in the early days there were only three Judges, which number was later increased to five, and that, in consequence of the practice adopted previously, two Judges were competent to give a decision, and later three. In the light of those facts, and with experience closer to them, Parliament decided, without a division, if I remember aright, that when the Bench consisted of seven Judges, four at least should concur in determining the validity or otherwise of Commonwealth or State legislation. The reasons that applied then, when Parliament insisted upon the concurrence of at least four Judges, apply equally, and with perhaps greater strength, to-day.

Senator ROWELL.—Is it not impracticable under present conditions?

Senator KEATING.—I will come to that. The real abstract reasons for requiring four to concur were emphatically placed before the members of another Chamber when the present Prime Minister (Mr. Hughes), as Attorney-General, introduced a measure in the House of Representatives. He strongly insisted that no legislation of this Parliament should be declared to be invalid unless by an absolute majority of the Full Court of seven. It did not necessarily mean that seven Judges would have to sit, but four of the Full Bench of seven had to concur in determining the validity of legislation. The reasons that applied then apply equally now. The Senate is a State Chamber, and it has more particularly intrusted to it than another place the interests of the States. If this measure becomes law, it will enable three of the seven Judges of the High Court, if they concur, to affirm or deny the validity of any piece of State legislation that may be called into question. The passing of

certain State legislation contemporaneously with this Parliament passing Commonwealth legislation, may be called into question.

Senator CRAWFORD. — That is being done at the present time.

Senator KEATING. — Yes; and I do not think there will be a unanimous decision in that regard. We have insisted for years that an absolute majority of the Full Bench shall be required to determine the validity of legislation, State or Commonwealth; and, although I have closely watched what has been taking place here and elsewhere, I cannot see that anything has arisen to justify us in departing from our present position.

Senator Rowell has just interjected that there is something in the nature of a practical difficulty. I believe there is, and that it can be reduced to this: One of the seven Judges of the High Court has assigned to him arbitration work, which takes up so much of his time that, very often, he is not available for service upon the Bench in High Court matters, in which, possibly, the validity of State or Federal laws may be in question. The second Judge, until recently, was also very largely engaged in arbitration matters; but it is hoped, by the establishment of a separate Arbitration Court for the Public Service, that his work will be reduced, and that one Judge of the High Court will be able to grapple with it. Apart from that, certain Judges have not had leave since they took office. Mr. Justice Isaacs has not taken leave, but intends doing so as soon as Mr. Justice Powers, who is abroad, returns. That will leave the High Court effectively reduced to five Judges, as one will be absent on leave out of the Commonwealth, and another almost chronically engaged on arbitration work. It is suggested that that is the reason why we should reduce the requisite concurring number from four to three; but I submit, with all respect to the Government, that we are not justified in permanently altering a constitutional provision because of temporary conditions created by the personal affairs of individual Judges, who comprise the High Court Bench. I think it is wrong, and we would be recreant to our trust to the States which we have to represent

if we allow temporary personal considerations to influence us in departing from a matter that Parliament practically unanimously affirmed, namely, that when the Bench consisted of three Judges two had to concur, that when it consisted of five three had to concur, and that when they had the full strength of seven four had to agree. Because of these temporary circumstances, which, after all, are personal in their nature, we are being asked to depart from a fundamental principle. I sincerely trust that the Senate will not agree and will insist on four Judges concurring in the affirmation or denial of the validity of State or Commonwealth legislation. Supposing four Judges sat after this measure were passed, and Commonwealth or State legislation was called into question. Three Judges might decide one way and the fourth in another. The opinion of the three would hold and the one who dissented would be overruled. But it might so happen that the Arbitration Judge, who was not sitting, might have agreed with the dissenting Judge. It might also happen that two Judges who were not sitting would have held with the dissenting Judge, and we might have three Judges with one opinion and four, only one of whom sat, holding another opinion. A similar case might arise later on and a legal adviser might be disposed to advise his clients to take the case before the High Court, and, having a different Bench, might get another decision.

Senator ROWELL. — Does this apply only to constitutional cases?

Senator KEATING. — Yes. Four Judges might sit and three might give a decision one way, and the fourth be overruled, notwithstanding the fact that four of the whole seven might be holding the same view as the one who was overruled.

I want honorable senators to realize that the Court does not take into consideration or come to a determination on abstract constitutional questions. Constitutional questions are not submitted to the High Court in an abstract way, such as has been the procedure of the Supreme Court of the United States of America and of the High Court of Australia. The High Court will not determine the validity or otherwise of an Act unless it arises in the

course of a concrete case between two parties to a suit. It may therefore happen that there is a suit between "A" and "B" or between "A" and the Commonwealth, and three Judges out of the four decide in a particular way on a constitutional point. Later on, there may be a case on the same point between "X" and "Y," or between "X" and the Commonwealth, and "X," taking legal advice upon the matter, is informed that as the High Court has already given a decision in a similar case he is not likely to succeed. But on further consideration he may be advised that the Judges who gave that decision were D, E and F, and that G dissented from it, and he may be told that probably K, L and M would dissent from it if the case could be got before a full Bench. This is another concrete case, but precisely the same constitutional principle is involved. The lawyers would not know which way to advise, and they would probably say, "If you can get so and so upon the Bench, you have a chance of upsetting the decision, but if you get so and so upon it, the chances are that the decision cannot be upset." This must inevitably lead to uncertainty. Now the law is uncertain enough, Heaven only knows, and there is nothing worse in legislation than adding to that uncertainty. If we pass this Bill we shall undoubtedly add to uncertainty. Time and again the complaint has been made here, in another place, and in the country generally, that we do not know what are our constitutional powers. One of the reasons why an absolute majority of the full strength of the High Court Bench should determine constitutional cases is that we may possess a greater measure of certainty in connexion with such cases. But if we allow a minority of the full strength of the High Court Bench to determine the validity or otherwise of constitutional propositions merely because of certain temporary circumstances, our uncertainty in respect of our constitutional limitations will be very seriously aggravated. I do hope that the Senate will not agree to the proposal. Only temporary and personal circumstances have been put forward in its justification. Any legal adviser will know that a decision given by three Justices with only one dissentient may possibly be upset by the one dissentient, and the other three Justices, if they can be got

together upon the same Bench. Again, most of these appeals will be from the judgment of the Supreme Courts of the States. Many of these tribunals are very strong both numerically and from the standpoint of judicial attainments.

Senator WILSON.—Those Courts are usually composed of three Judges.

Senator KEATING.—Sometimes they consist of four Judges, but three Judges generally constitute a quorum. In New South Wales the strength of the Judiciary of the Full Court is six. Here it is five.

Senator ELLIOTT.—And they are bound by their own decisions.

Senator KEATING.—Yes. It must also be remembered that our High Court is recruited from the same field as are the Supreme Courts of the States. From the stand-point of judicial eminence, experience, integrity and ability, there is, upon the surface, nothing to choose between them. There are men of the highest attainments, and of the greatest degree of integrity to be found upon the Supreme Court Benches of the several States, just as there are similar men to be found upon the High Court Bench. Yet we are now asked to invest a minority of the High Court with power to overturn their decisions upon the gravest constitutional issues.

Let me institute a comparison with the United States. What is the position there? In the United States the Supreme Court consists of nine Justices—a Chief Justice and eight Associate Justices. In connexion with constitutional appeals, the decision of which forms the principal function of that body, a quorum of the Bench consists of six Justices. In other words at least six Judges must adjudicate upon such questions. After argument the majority opinion of the Justices is ascertained. When that has been done the Chief Justice assigns to one or other of his colleagues the duty of expressing that opinion in writing. The opinion is put in writing, and is again submitted to the whole of the Justices, when, if a majority should concur in it, it becomes the decision of the Court. But there must be a majority in favour of any decision. In other words, there must be four out of six Justices, or five out of nine Justices, who concur in it. That is the position in the United States of America. I have already said that appeals of this character form, perhaps,

the principal function of the Supreme Court of that country. There, the judicial functions of that tribunal have been very carefully regulated. Here, the judicial power of the Commonwealth is practically exercised by the High Court. Personally, I think that that tribunal has too much to do, and that it would be better if it were afforded greater opportunities of concentrating, particularly upon constitutional questions, under section 74 of our Constitution. In the United States of America, in addition to the Court of which I have spoken, there are Federal Courts called Circuit Appeal Courts, Federal Circuit Courts, and Federal District Courts. There are eighty-nine of these District Courts, presided over by Federal Judges — Judges of inferior standing, and who are in receipt of a lower remuneration than are their Supreme Court Judges. There are twenty-nine Circuit Court Judges and nine Circuit Courts of Appeal, which deal with a number of appeals, not appeals upon constitutional questions, but appeals from lower Courts.

Senator ROWELL.—What constitutes a quorum of the Privy Council?

Senator KEATING.—I think that it is three, but I am not quite sure.

Senator PEARCE.—It is three.

Senator KEATING. — The Privy Council is a body which is not comparable to any other tribunal in the world. It is not a Court in the strict sense of the term at all. There are very few, even amongst those who have been associated with the Privy Council, who can give definite information as to its position, its limitations, and its functions. These have varied from time to time, and the history of the Privy Council is a very complicated one. That tribunal seems to have developed by no method or rule as other bodies do.

The other provision in the Bill which we are now considering deals with the question of criminal jurisdiction. When I first looked at the measure I thought that that provision was all right, and to a large extent I think that it is so still. Until 1915 we had no legislation whatever dealing with Federal criminal jurisdiction. But in that year, during the war period, we passed a Bill to amend the Judiciary Act which enabled the

High Court to deal with criminal offences of a Federal character. In that measure we provided that it should be competent for the Attorney-General of the Commonwealth to file an indictment in the High Court against any individual for any alleged criminal offence of a Federal character, and we declared that the High Court should be competent to deal with such an indictment forthwith. As honorable senators are aware, the ordinary procedure in criminal matters in each of the States is as follows:—When a man is arrested under warrant upon a criminal charge he is brought before an inferior tribunal, either a Court of petty sessions, a magistrate, or a body of magistrates, when the case against him is presented. There, he may either reserve his defence, or he may enter upon it. But that tribunal has no power to deal with him finally. It must either dismiss the charge against him absolutely, or commit him for trial by a jury in the Supreme Court or in a District or Sessions Court. That is the ordinary course of criminal procedure under British systems of jurisprudence. The result is that a man against whom a criminal charge is laid has the option at the first hearing of deciding whether he shall then open his defence and take the chance of securing a dismissal of the charge against him, or whether he shall reserve his defence until he is tried before a Supreme Court or other higher Court and a jury. It may be that he is unfamiliar with all the circumstances in connexion with which suspicion has rested upon him. He may, therefore, require time to prepare his defence, and also an opportunity of investigating the character of the witnesses who have been called against him, and he may further desire to test the value of their evidence. Between the time when he is committed for trial and the period when he comes up for trial his defence may be prepared. When we passed the Amending Judiciary Act in 1915, we had no Criminal Procedure Act for the Commonwealth. There was no provision to enable any particular tribunal, such as a Court of petty sessions or a body of magistrates, to hear a charge of a criminal character against any individual, and to commit him for trial before the High Court. But in each of the

States there was a provision which enabled such bodies to hear criminal charges and to commit accused persons to Courts of the States, but not to the High Court. In 1915, during the war period, we enacted that the High Court should be competent to deal with criminal offences, and we empowered the Attorney-General to file an indictment against any accused individual, and have him brought before the High Court without any previous hearing. At that time, we knew that we had no procedure of a preliminary character, and that we had no Courts to carry out that procedure. The measure of which I speak was assented to, and under it the Attorney-General may file an indictment against any individual, and, without any preliminary hearing, have him brought before the High Court and dealt with by a jury. But we were then in a state of war, and we suspected that there were offenders in our midst who were plotting against the peace, order, good government, and even the safety and existence, of the Commonwealth.

Senator PEARCE.—That measure was not brought forward as war legislation.

Senator KEATING.—But its operation was limited to the period of the war and six months thereafter.

Senator PEARCE.—By an amendment which was made in another branch of the Legislature.

Senator KEATING.—Exactly.

Senator PEARCE.—The honorable senator's argument is that it was war legislation.

Senator KEATING.—It was war-time legislation. The measure was passed during the pendency of the war, and it was because Parliament realized the seriousness of the departure which was being made from the normal procedure that the period of its operation was definitely fixed.

Senator PEARCE.—Three States possess this power now under State jurisdiction.

Senator KEATING.—They do not. I know that that has been asserted by my honorable friend's colleagues in another place, but the cases cited are not at all parallel. The Minister who made the statement elsewhere should have known that. The reason why the cases are not parallel is that in every State of the Commonwealth the ordinary procedure is

that an accused person must be brought up for a preliminary hearing, either before a magistrate, justices, or a Court of petty sessions, and the charge against him must either be dismissed by that tribunal or he must be committed for trial. He is thus afforded an opportunity of preparing his defence. If it is dismissed, the matter is done with. If the accused is committed for trial, he has an opportunity of preparing a defence, and the case goes up for trial. That is the ordinary procedure in every State, but over and above that particular procedure the Attorney-General has in the several States the reserve power to indict an individual directly without previous trial or inquiry in the lower Court. How often has this reserve power been exercised? The normal and ordinary procedure is that which I have described, but here we are asked to enact nothing but what is the reserve power in the States. That is to say, we are asked to make the reserve power in the States the ordinary normal procedure in the Commonwealth.

Senator PEARCE.—That is a misrepresentation of the position.

Senator KEATING.—It is not. The ordinary reserve power which exists in each State has been referred to elsewhere as justifying this amendment.

Senator PEARCE.—Does the honorable senator contend that this is the procedure which would be adopted normally?

Senator KEATING.—I do not say that. What I maintain is that this is all we are asked to enact now.

Senator PEARCE.—The honorable senator says that the Senate is being asked to make what is the reserve power of the States the ordinary normal power of the Commonwealth.

Senator KEATING.—That is so. We are asked to do that in this Bill.

Senator PEARCE.—We are not.

Senator KEATING.—Before we passed the Act of 1915 the Commonwealth had the power to prosecute for indictable offences. Section 69 of the principal Act provided that an indictment could be laid in the High Court; or in the Supreme Court of a State, by the Attorney-General of the Commonwealth or by any other person appointed in that behalf by the Governor-General. I understand that the practice has been to appoint the several Attorneys-General of the States to represent the Commonwealth in this respect, and that prior to the Act of 1915

they have been able to lay informations on behalf of the Commonwealth in the several Supreme Courts of the States. Why, therefore, is there necessity for this amendment? We already have the power to act through the Attorneys-General of the different States.

Senator PEARCE.—Why cannot the Attorney-General of the Commonwealth have authority to act on his own behalf?

Senator KEATING.—He ought to be in a position to do so, but only when the ordinary criminal procedure applies to the High Court. It was not until 1915 that we sought power to endow the High Court with criminal jurisdiction, and proposed to give the Commonwealth Attorney-General power to bring an offender before that Court by direct indictment. But when that proposal was put to Parliament, it said, "This will be an alteration for the period of the war, and six months longer, and shall not continue in force afterwards."⁴ We are now asked to make it perpetual. I ask the Senate not to do so. We certainly ought to let the Attorney-General have this reserve power, but first let us have a proper criminal procedure provided, so that when it is decided, without the intervention of State Courts or the assistance of State Attorneys-General, to prosecute an individual for an alleged offence against the Commonwealth criminal law, there will be in existence a procedure somewhat analogous to that which is in operation in the States. Then the Attorney-General can take this reserve power, but do not let us start off by conferring upon him a power which is only held in reserve by the Attorneys-General of the several States, and which is practically never exercised. No matter what the Minister may say, the only power we are asked to give the Commonwealth Attorney-General is the reserve power which the State Attorneys-General enjoy but do not exercise, leaving the ordinary criminal procedure to be followed in all normal actions. The State Attorneys-General may have this reserve power, but that is no justification for vesting in the Commonwealth Attorney-General that power only.

Senator PEARCE.—It is not the only power he would have. He has two channels open to him as well.

Senator KEATING.—That is what I have said.

Senator PEARCE.—It will merely be a reserve power in the case of the Commonwealth.

Senator KEATING.—But we have not only the Attorney-General to consider. I am not speaking from the point of view of the convenience and power of the Attorney-General, but from the point of view of the rights of the subject, and I claim that the subject who is charged with a Federal criminal offence should not be placed in a worse position or in greater jeopardy than he would be if he were being prosecuted by a State. The Commonwealth Attorney-General has ample power at present through the deputies in the several States who may be appointed by the Governor-General, without being given this additional power. If we are to invoke the criminal jurisdiction of the High Court of the Commonwealth, let us, before doing so, adopt a comprehensive system of procedure that would be characteristic of criminal law wherever the British flag waves. I hope honorable senators will not agree to the proposal to perpetuate this legislation. If this power is wanted let it be exercised merely as a reserve power auxiliary to similar criminal procedure obtaining in every State.

Senator PEARCE.—That is all we ask for.

Senator EARLE (Tasmania) [4.14].—A layman approaches a measure of this kind with considerable temerity, but I do not wish to record a vote in opposition to the Bill unless I am given some reason for doing so. We are all indebted to Senator Keating for the very complete analysis he has made of the measure; he has given us some food for thought, which will necessarily make us very careful in exercising our votes, either on the second reading or in Committee, should the Bill reach that stage. I agree with the honorable senator that it is very dangerous to allow constitutional questions to be settled by a minority of the High Court. It is quite possible, in several eventualities which the honorable senator has outlined, that a decision may be arrived at on a constitutional question vital to the interests of a State, by a minority of the Justices constituting the High Court, and that subsequently a different decision may be given when there is a full sitting of the Court. I realize the difficulties

under which the Government are labouring in consequence of the fact that certain Justices of the High Court are engaged in other work, and because, in the near future, one Justice intends to take leave of absence which is long overdue. At the same time, it is a rather dangerous expedient to overcome these difficulties by allowing a minority of the Justices to settle a constitutional point which may vitally affect the interests of one or more States.

The other phase of the question referred to by Senator Keating is also important. We all know the ordinary procedure followed in criminal cases, and that the preliminary trial before a stipendiary magistrate or justice of the peace may be all-important to the person charged in the preparation of his defence.

Senator PEARCE.—In 999 cases out of 1,000, that will be the procedure followed.

Senator EARLE.—But it is not provided for in the present Judiciary Act.

Senator PEARCE.—Neither is the procedure laid down in the State Act.

Senator EARLE.—I understand the Minister implies that the High Court will have very few criminal cases referred to it, and that it will be only in very exceptional cases that the power this Bill seeks to bestow upon it will be exercised. But there may be, in these very few cases, some very grave injustice done to an individual. During a state of war, I am always prepared to give exceptional powers to the Judiciary. There are occasions when it is necessary to act promptly, even at the risk of doing an injustice to the individual. The rights of the nations must be protected. But in the time of peace, every effort should be made to see that no injustice is done to the individual. Charged with an offence against the Commonwealth, he may perhaps be convicted in times of excitement, or under circumstances in which full, deliberate, and cool consideration has not been exercised, and he may probably be ruined; whereas, if he had had the same opportunity for placing his defence before the tribunals of justice now existing in the different States, he might be in a position to prove his innocence, and thus save his reputation, or perhaps his life. Unless the Minister can say something in rebuttal of the argument advanced by the honor-

able and learned senator who has preceded me (Senator Keating), I am inclined to refuse to place in the hands of the High Court more immediate powers to deal with criminals than those which now obtain in the Supreme Courts of the State.

Senator ELLIOTT (Victoria) [4.20].—I am strongly in favour of the views put forward by Senator Keating, particularly in regard to the proposition to make decisions of the High Court on constitutional questions dependent on the verdict of three Justices only. Throughout the British Empire, with the one exception of the Privy Council, the Courts have always been bound by their own decisions. That is to say, when a point has once been decided by a Court, any other Court of equal rank has been bound by that particular decision. This rule has applied to all the Supreme Courts of the Dominions and the Courts in Great Britain right up to the House of Lords. At no time have they held themselves free to overrule a previous decision. This very admirable rule has led to absolute certainty, so far as the facts can be applied to any particular case, with the result that a legal practitioner, if he knows the law, is able to give pretty definite advice to a client. The remedy then is clear. If the law, as interpreted by any Court, conflicts with the views of the people, it can be altered by an Act of Parliament, and in that way only. The Privy Council, on the other hand, has always taken the stand that it is free to set aside a previous decision if it is considered manifestly wrong. No doubt the Privy Council has been guided to some extent by the fact that it is a Court of Appeal from every part of the Empire, and so has to deal with many different systems of law. In Cape Colony, for instance, the Roman Dutch law is in operation, and it is possible that members of the Privy Council are not always altogether familiar with its interpretation in South Africa, and so, in general principle, they have held themselves free to reverse previous decisions, although this has been done only on very rare occasions. When the High Court of Australia was established it was early laid down that the Justices would follow the practice of the Privy Council. Our system of constitutional law has been

laid down in a most emphatic manner for many years, and a great deal of money has been spent by litigants to establish their rights. Then we got a change in the constitution of the Court and the whole thing went "by the board." No one can now advise with any degree of certainty on constitutional questions until the whole procedure has been gone through again, and fresh pronouncements given by the High Court as now constituted on these same questions that were thought to be finally settled for us. In addition, by the Ministerial proposals, it is proposed to still further destroy any chance of arriving at finality by providing, as Senator Keating has so ably pointed out, for a minority of the Court to give a decision, leaving it open for other parties to bring the same question up again next week. That is to say, a pronouncement may be given this week, and the whole case be re-opened next week with a possibility of the judgment being upset. In view of the fact that the High Court thus holds itself open to overrule its own decisions in this way, I emphatically protest against this proposed amendment of the Judiciary Act to allow three Justices of the High Court to decide important questions.

Senator PEARCE (Western Australia—Minister for Defence) [4.25].—I think it is a great advantage that measures of this nature should be subjected to the most searching criticism, but I take exception to the nature of the criticism directed at this Bill by Senator Keating, because he has hardly been fair in some of his remarks. He seems to be more desirous of scoring a point than of elucidating the facts.

Senator KEATING.—No.

Senator PEARCE. — The honorable senator's remarks were certainly capable of that construction at all events. He knows the law and the Judiciary Act probably better than any other honorable senator in this Chamber, and, therefore, it would only have been fair if, when he made one or two of his important points, he had drawn attention to the qualification contained in the Act in regard to what he had to say. He made an appeal that is always forceful to a Chamber of this character, an appeal in regard to constitutional questions as affecting State rights. Obviously that is a matter, above all others, that appeals to

honorable senators. But when he was making his points one would have expected him to draw attention to the safeguards in Part XII. of the Judiciary Act. He made no mention of these safeguards, although he is quite aware of them, and it would appear therefore that he wanted to score a point against the Bill.

Senator KEATING.—Part XII. is optional, and is exercisable by the Governor-General only.

Senator PEARCE.—As the honorable senator did not direct attention to Part XII. I propose to do so, and to show what bearing it has upon the very class of cases in regard to which the honorable senator made such an eloquent appeal, that is, the questions affecting the States as States—a matter in which this Chamber is particularly interested.

Senator KEATING.—Can you tell us if Part XII. has ever been, or ever will be, operative?

Senator PEARCE.—Part XII. provides—

88. Whenever the Governor-General refers to the High Court for hearing and determination any question of law as to the validity of any Act or enactment of the Parliament, the High Court shall have jurisdiction to hear and determine the matter.

89. The matter shall be heard and determined by a Full Court consisting of all the Justices:

Provided that if any of the Justices are absent from the Commonwealth or incapacitated by illness, the matter may be heard and determined by all the other Justices.

90. The Attorney-General of each State shall be notified of the hearing of the matter, and be entitled to appear or be represented at the hearing.

91. The High Court or a Justice may direct that any person or class of persons or association claiming to be interested in the matter shall be notified of the hearing of the matter, and be entitled to appear or be represented at the hearing.

92. The Court may request any counsel to argue the matter as to any interest which, in the opinion of the Court, is affected, and as to which counsel does not appear; and the reasonable expenses thereby occasioned shall be paid by the Commonwealth out of moneys to be appropriated by the Parliament.

93. The determination of the Court upon the matter shall be final and conclusive, and not subject to any appeal.

94. The Justices of the High Court, or a majority of them, may make Rules of Court for carrying this Part of this Act into effect and in particular for regulating the procedure in relation to any matter referred to the High Court in accordance with this Part of this Act.

Senator EARLE.—Can any State invoke that power?

Senator PEARCE.—No; it rests with the Governor-General.

Senator KEATING.—It applies only when the Federal Government or the Governor-General invites the Court to take that action.

Senator PEARCE.—It is a very important qualification, which the honorable senator might have mentioned, and he now suggests that it is a dead letter.

Senator KEATING.—I did not say it was a dead letter. I asked, Has it ever been operative?

Senator PEARCE.—The inference from the honorable senator's interjection is that he thinks it is a dead letter. I am not aware of any case in which it has been operative, but I have known of cases where Cabinets have very seriously discussed the advisability of referring measures to the High Court under that power, and I have no doubt at all that that part of the Act is well in the minds of all Ministers who have to administer the laws and assist in the framing of laws, or who approach the consideration of debatable questions that are on the border line and threaten to invade the domain of State legislation.

Senator KEATING.—Do you think the Justices of the High Court would give a decision on an abstract constitutional question.

Senator PEARCE.—I am trying to point out that this would not be an abstract constitutional question, but a specific issue.

Another point which Senator Keating might have mentioned as qualifying his objection to the Bill is that the great majority of constitutional judgments by the High Court have been given by three or a less number of Judges.

Senator KEATING.—We knew that when we passed the present law, making four Justices necessary.

Senator PEARCE.—It is a fact which the honorable senator may not gainsay.

Senator KEATING.—I emphasized it, and showed that we knew it was a fact.

Senator PEARCE.—It is also a fact that during all that time we were in a far more uncertain position as regards the constitutional rights of the States than we are to-day. The respective powers of the Commonwealth and the States have now been marked out,

but when the Constitution was being interpreted by the High Court of Australia, Senator Keating was quite content that all those important judgments should be given very often by only two Judges.

Senator KEATING.—We had to be content.

Senator PEARCE.—There was no "had to be" about it. Senator Keating, as a member of Parliament, could have raised all these objections. If it was not safe to trust decisions on constitutional matters to three Justices of the High Court, he could have used his power as a Minister to increase the number. There was nothing in the constitution of the High Court limiting it to three Justices at the outset. It is very evident, therefore, that Parliament was prepared to accept the decision of three Justices, and very often less than three, on very important constitutional questions; and many judgments, given by only two of the Justices of the High Court, are held to be quite sound to-day.

I come now to the third point raised. Senator Keating is well aware that the Bill does not provide that the decision shall not be given by more than three Judges. It is not a limitation, and he knows quite well that the Chief Justice of the High Court has the authority to convoke an assembly of the Judges. He knows, too, that if he were Chief Justice, he would have regard, when convoking an assembly of Judges, to the magnitude of the cases to be decided. Any human being gifted with common sense—and the Chief Justice of the High Court of Australia must be credited with common sense—would, in the interests of the Court over which he presides, and for its good name, require the attendance of as many Judges as were available to decide these important constitutional questions. This has been the invariable procedure. Senator Keating might well have put forward those three points, because we are not here simply to destroy measures but to offer constructive criticism of them. Those points seem to me to be qualifications of Senator Keating's criticism which, holding the position he does, and being one of the few lawyers in a body of laymen, he might very properly have brought under notice. We are in a more difficult position than many of the States in this regard, by reason of the fact that we cannot appoint

a Deputy, or acting Judge, or Commissioner, if any of the Judges are not available by reason of illness or other cause. We must appoint a Judge, under the terms of the Constitution, for life. Therefore, in the case of illness, it is quite conceivable that, even with the High Court Bench at its present strength, we might not be able to secure the attendance of four Judges. That is a factor that should be taken into consideration by the Senate.

Senator KEATING also, somewhat unfairly, depreciated the comparison with the Privy Council. The Privy Council deals with matters not, perhaps, of a constitutional character as referred to in our legislation, but of constitutional bearing, arising out of individual cases. It lays down the law of the Empire, and deals with matters of wide effect.

Senator KEATING.—The Privy Council does not lay down the law of the Empire.

Senator PEARCE.—It does, because the judgment of the Privy Council upon any point is recognised and observed by the Courts of the Empire.

Senator KEATING.—The Privy Council is not the final Court of Appeal for any Court in Great Britain. It is the Court of Appeal only from the Courts of what are called "the Colonies and Plantations."

Senator PEARCE.—When the Privy Council has given judgment in a case coming from any of the Dominions, litigants are well advised by their counsel to accept it as final on that issue, because they know that their opponents may appeal to the Privy Council, which will stand by its previous judgment. Will Senator Keating admit that a litigant in Australia can appeal to the Privy Council from the High Court on other than constitutional matters?

Senator KEATING.—Yes.

Senator PEARCE.—Then any judgment which the Privy Council gives in that appeal is taken as a standard and guide, because it is the law as laid down by the final and ultimate Court of Appeal on such matters?

Senator KEATING.—It is not final and conclusive in Great Britain.

Senator PEARCE.—I do not say it is; but in the respect that I have indicated the Privy Council is a Court of high standing and tremendous scope, dealing with large and important issues. In that Court

three Judges are able to give a judgment. Surely that fact should be some guide to us.

Senator KEATING.—It is difficult to get the Judges of the Privy Council together. You might have to hunt up one from the Riviera, another from Scotland, and another from Devonshire.

Senator PEARCE.—I understand that the Privy Council does not meet very frequently.

On the question of indictable offences, the obligation is laid on those who object to the Commonwealth taking this power, which is only similar to that held by a number of the States, to show that the Commonwealth has abused it during the years it has had it. I do not take it to be part of our duty, as representative of States in this Chamber, to put the Commonwealth in a worse position than the States. Senator Keating seemed to challenge my statement, which I made on the authority of one of my colleagues, that three of the States had this reserve power.

Senator KEATING.—I say they have it as a reserve power. I did not challenge that statement.

Senator PEARCE.—The Queensland Criminal Code, drafted by the late Mr. Justice Griffith, provides in section 561—

A Crown Law Officer may present an indictment in any Court of criminal jurisdiction against any person for an indictable offence, whether the accused person has been committed for trial or not. An officer appointed by the Governor in Council to present indictment in any Court of criminal jurisdiction may present an indictment in that Court against any person for an indictable offence within the jurisdiction of the Court, whether the accused person has been committed for trial or not.

I see no reference there to any reserve power. It is an express power given to the Attorney-General. It may be called an alternative power or method. We are simply proposing a similar alternative in the case of the Commonwealth.

Senator WILSON.—Is not an alternative method a reserve power?

Senator PEARCE.—Not in the sense that Senator Keating uses it. Section 334 of the South Australian Criminal Law Consolidation Act states—

Any person may be put upon his trial at any criminal session of the Supreme Court for any crime or offence whatsoever, upon an information presented to the said Court in the name and by the authority of Her Majesty's

Attorney-General of the province aforesaid, and every provision of the common law and of Acts of Parliament for the time being in force within the said province relating to indictments and to the manner and form of pleading thereto and to the trial thereon, and generally to all matters subsequent to the finding of the indictment, shall apply to any information to be so presented as aforesaid.

Can Senator SENIOR tell us whether any terrible scandals have arisen through that power being in the hands of the Attorney-General of South Australia? If so, I have never heard of them. In the Victorian Crimes Act 1890, section 388 refers to powers with regard to presentments, and section 390 provides—

Nothing herein contained shall in any manner alter or affect the power which Her Majesty's Attorney-General possesses at common law to file by virtue of his office an information in the Supreme Court.

Senator SENIOR.—An appeal may lie from the State Supreme Court to the High Court.

Senator PEARCE.—I take it that an appeal may also lie from a Justice of the High Court to the full High Court. The present procedure is that the Commonwealth may proceed to prosecute for an indictable offence through the channel of the Attorney-General of a State. It is not likely, but still it is thinkable, that an indictable offence may be committed within a State by a person who would have the sympathy and support of the Government of that State. If any honorable senator regards that as far-fetched, let me tell him that during the war, when the existence of the Commonwealth was at stake, one State Government refused to administer the Commonwealth War Precautions Act in certain of its aspects, and the Commonwealth Unlawful Associations Act. They refused also to allow their law officers and police to enforce those Acts.

Senator NEWLAND.—Which State was that?

Senator PEARCE.—Queensland. If a State Government will take up that attitude in time of war, is it unthinkable that in certain contingencies a State Attorney-General may refuse to allow himself to be the vehicle of the prosecution of one of the citizens of his State for a criminal offence against a Commonwealth law? Why should the Commonwealth say, "This is a reserve power, or an alter-

native power, with which certain States have seen fit to clothe themselves, but we, as a Commonwealth, will not arm ourselves with it, because of some absurd idea that it will be a reflection on the State Courts, or because there may be some day a Commonwealth Attorney-General who will abuse it in such a way as to be unfair to the defendant?"

Senator KEATING.—That eventuality is just as likely as the case of the State Government you quoted.

Senator PEARCE.—If the power is given to the Commonwealth it simply means that the Commonwealth will have an alternative method of procedure. As I interjected when Senator Keating was speaking, in 999 cases out of 1,000 the Commonwealth Attorney-General would proceed through the medium of the State Attorney-General in the ordinary State Courts, but if there should ever be a case which the Commonwealth Attorney-General thought fit in the interests of the Commonwealth to take to the High Court, why should he not have the power to do so? Why should not this Parliament give the Commonwealth Attorney-General that power?

Senator KEATING.—Why should not the subject have the same rights?

Senator PEARCE.—The honorable senator seems to assume that some injustice is going to be done by the High Court if a case happens to come before it.

Senator KEATING.—I do not think the subject will get the same rights.

Senator PEARCE.—If it is an injustice, the Supreme Court of a State can do an injustice. The State Attorney-General can take a man to the Supreme Court without indictment.

Senator KEATING.—But he does not.

Senator PEARCE.—He does not, nor will the Commonwealth Attorney-General do so. He will have just as much common sense, and be just as much responsive to public opinion, as the State Attorney-General. The State Attorney-General does not adopt this procedure, because he is a man of common sense, and has to answer to public opinion, but the reserve power is there. Why should we deny the same reserve or alternative power to the Commonwealth Attorney-General? Let us by all means preserve the rights of the States, and let us not, in this legislation,

place arbitrary power where it is not required; but let us not, for the mere sake of amending or rejecting Bills, refuse to be as just to ourselves as we recognise that other people are to themselves. Let us give the Commonwealth, which has to enforce Commonwealth laws, the same means as are given to those who have to enforce the State laws.

Question resolved in the affirmative.
Bill read a second time.

In Committee:

Clause 1 agreed to.

Clause 2—

Section 23 of the principal Act is amended by omitting from sub-section (1) thereof the words "unless a majority of all the Justices concur in the decision" and inserting in their stead the words "unless at least three Justices concur in the decision."

Senator KEATING (Tasmania) [4.49].
—I was going to move an amendment which, if carried, would practically mean negating the clause, thus leaving the law as it stands at present. That would mean that the majority of the whole number of Justices must concur in a constitutional decision. I therefore propose not to move the amendment, but simply to vote against the clause. I hope the Committee will refuse to pass the clause, and so allow the law for the present to stand as it is.

Question—That the clause stand as printed—put. The Committee divided,

Ayes	..	..	12
Noes	..	..	9
—			
Majority	..	..	3

AYES.

Duncan, W. L.	Plain, W.
Fairbairn, G.	Reid, M.
Givens, T.	Rowell, J.
Guthrie, J. F.	Russell, E. J.
Guthrie, R. Storrie	
Newland, J.	<i>Teller:</i>
Pearce, G. F.	de Largie, H.

NOES.

Bakhap, T. J. K.	Pratten, H. E.
Crawford, T. W.	Senior, W.
Drake-Brockman, E. A.	Wilson, R. V.
Elliott, H. E.	<i>Teller:</i>
Glasgow, Sir Thomas	Keating, J. H.

PAIRS.

Henderson, G.	Payne, H. J. M.
Millen, E. D.	Earle, J.

Question so resolved in the affirmative.
Amendment negatived.
Clause agreed to.

Clause 3 (Duration of Judiciary Act 1915).

Senator KEATING (Tasmania) [4.55].
—This is the clause which provides the extraordinary criminal procedure to which I referred when the Bill was before the Senate, and I trust honorable senators will not insist on perpetuating that procedure. It has been said by the Minister for Defence (Senator Pearce) that this is only a reserve power in the sense that a State Attorney-General holds a reserve power. I desire to say again that a State Attorney-General never exercises the power because there is the ordinary procedure for the prosecution of criminal offenders, and it is only in the most extraordinary emergency that he exercises the power of directly presenting an alleged criminal before the Court without a preliminary inquiry. I agree with all the Minister has said as to the necessity of the Commonwealth Attorney-General possessing the power to prosecute criminal offenders where a State Attorney-General or a State Government are not prepared to assist. But the remedy for overcoming the difficulty with which the Commonwealth Government may at some time be confronted is to have a proper criminal procedure, instead of perpetuating what was only adopted as a temporary war expedient. I trust the Senate will reject this particular clause, as, by doing so, it will not be saying that the Commonwealth shall not have the power to prosecute an alleged criminal offender in the High Court. It will merely provide that if we want to prosecute we shall have to adopt the proper procedure, which is not a difficult matter. The Minister has quoted from the Queensland Criminal Code and from a Victorian and South Australian Statute. He might also have quoted from the Tasmanian Act. He will find, however, that there is a regular form of procedure laid down, and that the subject being prosecuted in a State Court by State authorities for criminal offences has certain rights, privileges, and opportunities of defending himself. Why should he be denied these when he is being prosecuted for an alleged criminal offence before the High Court? The Minister seems absolutely deaf to that phase of the question. He has not denied the fact that the power held by the States is a

reserve power. What we are asked for is that it should be the whole power.

Senator CRAWFORD.—Has that power ever been exercised?

Senator KEATING.—I am not sure, but, so far as my memory serves me, it has only once within my recollection been employed in the State of Tasmania. It is only used where Justices will not permit, or where it is impracticable or impossible to get Justices to have, a preliminary inquiry. The distinctive foundation of all British criminal jurisprudence is to regard an alleged offender as innocent until he is proved guilty, and, before he is brought before a Judge and jury, he has the opportunity of knowing the strength of the case that is to be presented against him, and of preparing his defence. Let the Attorney-General of the Commonwealth or the Government have the power to criminally prosecute an alleged Federal offender in the High Court, but let us follow the procedure which is adopted in connexion with criminal offences under State laws.

Senator PEARCE (Western Australia—Minister for Defence) [5.0].—As some honorable senators were not present when I replied to Senator Keating's observations on the second reading of this measure, I desire to direct their attention to the fact that the point at issue is that under the State procedure the State Attorney-General, in proceeding in criminal indictments against a person, has the alternative to go to the Police Court or to another Court, or to take the case direct to the Supreme Court. When the Commonwealth desires to criminally prosecute, the Commonwealth Attorney-General cannot approach the State Court direct, but has to do so through the medium of the State Attorney-General. During the war period we took the power to prosecute direct in the High Court in cases of criminal indictment. When that measure was introduced it was not regarded as war legislation, but a permanent amendment of our Judiciary Act. It happened, however, to be brought forward in another place at a time when other war legislation was under consideration, and an amendment was embodied to make the provision operative for the period of the war and for six months thereafter. That amendment was introduced because some enterprising individual discovered that

these words, although in other measures, were not embodied in that particular amending Bill. The Government were anxious to get the Bill through, and the amendment was, therefore, accepted, because the Government realized that when the war was over they would have the opportunity of reviewing the position.

Senator KEATING.—It was passed at the same time as the High Court Procedure Bill and Crimes Bill.

Senator PEARCE.—That was in 1915, and I was a member of the Government that introduced the amending Judiciary Bill. I also stated in reply to Senator Keating's speech that this is not a power that the Government intend to exercise, and that in all probability it will not be employed in one case out of 10,000. It is merely a reserve power, and during the war period it was amply demonstrated that we should have this authority. During the war, the War Precautions Act and the Unlawful Associations Act were passed, and the State Government of Queensland refused to allow its officers to enforce the provisions of the Unlawful Associations Act or to allow us to take any action through their State officers under the War Precautions Act. In dealing with aliens and Italians resident in the Commonwealth, the Queensland Government refused to allow us to have the assistance of their legal machinery, and that is a fact that cannot be controverted. We then had the power to criminally prosecute in the High Court, but by virtue of the amendment embodied in the Bill in another place when it was introduced, this provision will now cease to operate, and we are saying that we want to have that reserve power as part of our permanent authority. That is all I am asking the Committee to agree to.

Senator KEATING.—Why not provide the proper procedure that usually accompanies such legislation?

Senator PEARCE.—I suppose the honorable senator means that we should establish a Federal Court of Criminal Jurisdiction.

Senator KEATING.—No. Let an offender go before a justice or a magistrate.

Senator PEARCE.—That is, invest the Courts with Federal jurisdiction. If that is the contention of the honorable senator I am willing to bring the matter before the Attorney-General, but I am

not prepared to say whether that can be done. As I have already stated, it is only under extraordinary conditions that the power will be exercised, as in nearly every case the services of a State Attorney-General will be used. When we cannot have the assistance of State officers we should have this reserve power.

Senator KEATING (Tasmania) [5:4].—I have already said in Committee, and in the Senate, that I have no objection to the Commonwealth having the power to prosecute alleged criminal offenders in Commonwealth Courts. The only exception I take to perpetuating this particular provision is that we do not provide for the subject those safeguards which are afforded him under the criminal procedure in the States, and, in fact, in every British community. The criminal procedure in existence in all the States, which is modelled on English procedure, provides a preliminary hearing before a magistrate or justice to determine whether a man should be committed for trial.

Senator PEARCE.—But the Commonwealth has no magistrates.

Senator KEATING.—No, but it usually has the assistance of State magistrates in connexion with the administration of its laws. There is not a penal Act under which it is not competent for a Police Magistrate to hear a case and impose a penalty.

Senator CRAWFORD.—Does not that mean that the Commonwealth uses the machinery of the States?

Senator KEATING.—Yes. Why should we not provide that if the Commonwealth Attorney-General wishes to prosecute in the High Court he shall first have the alleged offender brought before magistrates, or a Court of petty sessions, where the charge against him shall either be dismissed or he shall be sent on for trial before the High Court?

Senator CRAWFORD.—If the Bill be passed in its present form, will not the Attorney-General have that power?

Senator KEATING.—But we are asked to give him power to directly indict a man in the High Court without any previous inquiry.

Senator PEARCE.—It is not proposed to take away his power to bring an accused person, through the medium of any State Attorney-General, before a lower Court.

Senator KEATING.—That is so. But it is proposed that the Commonwealth Attorney-General shall continue to have power to bring an alleged offender before the High Court without the intervention of Justices or of a grand jury. I ask that in regard to Commonwealth prosecutions a similar procedure shall be adopted to that which is adopted in regard to State prosecutions. I see no reason why, in respect to offenders against Commonwealth laws, the Commonwealth Attorney-General should not be given similar powers in relation to the High Court to those which the State Attorneys-General possess in relation to their Supreme Courts.

Senator SENIOR.—Take, for example, cases involving offences against the Customs Act.

Senator KEATING.—Some of those cases are dealt with summarily, but there are others which are indictable. In such cases an alleged offender should know precisely the nature of the charge which is preferred against him.

Senator CRAWFORD.—Offenders against the Customs Act are usually prosecuted in the State Courts.

Senator KEATING.—But under this Bill the Attorney-General of the Commonwealth may bring them direct before the High Court. I think that this particular power was exercised in South Australia in connexion with the Snow case. In one of the cases heard in that State, proceedings became very much "mucked up" in respect of the calling of the jury.

Senator PEARCE.—In the Snow case the accused was given plenty of notice, because the proceedings lasted about three years.

Senator KEATING.—Under the power which we conferred in the Judiciary Act of 1915 the jury know the whole of the case against any accused person, just as soon as does the accused himself. If the Minister will bring under the notice of his colleagues the desirableness of laying down some procedure dealing with criminal prosecutions under Commonwealth laws, I shall be satisfied.

Senator PEARCE.—I undertake to do that.

Clause agreed to.

Clauses 4 and 5 agreed to.

Title agreed to.

Bill reported without amendment; report adopted.

NAVIGATION BILL.

In Committee (Consideration of House of Representatives' amendments resumed from 14th October, *vide* page 5622):

Clause 8—

Section 6 of the principal Act is amended—

- (a) by omitting from the definition of "Master" the words "other than a pilot";
- (b) by omitting from the definition of "Discharge" the words "the last" and inserting in their stead the word "a";

House of Representatives' amendment—

After "amended" and before paragraph (a) insert:—

- "(aa) by omitting from the definition of 'limited coast-trade ship' the words '(not exceeding a radius of four hundred miles)' and inserting in their stead the words '(not exceeding the limits for home-trade or coast-trade ships, as the case may be, fixed for the port, at the commencement of this section, by any State law)';
- (ab) by adding at the end of the definition of 'River and bay ship' the words 'and also includes any ship or class of ships, specified by the Minister by notice in the *Gazette*, which trades exclusively within the limits of a specified port, bay or river and within a radius of three nautical miles seaward from the entrance of the port, bay or river:'."

Senator R. STORRIE GUTHRIE (South Australia) [5.12].—As honorable senators are aware, I have not been able to follow the amendments which have been made in this Bill very closely. Speaking generally, however, I am disposed to agree with them. But I take exception to the amendment made by another place in proposed new paragraph aa, which seeks to eliminate the words "not exceeding a radius of 400 miles" from the definition of a "limited coast trade ship," and to insert in lieu thereof the words "not exceeding the limits for home trade or coast trade ships, as the case may be, fixed for the port, at the commencement of this section, by any State law." The Royal Commission which investigated this Bill considered the definition of a limited coast trade ship very thoroughly, and decided upon a radius of 400 miles. For some years past, Victoria has allowed this class of ship to trade even from Port Augusta to New castle.

Senator RUSSELL.—Does the honorable senator think that a Victorian boat should be debarred from trading in Australian waters?

Senator R. STORRIE GUTHRIE.—But under this Bill it is proposed to confine a South Australian vessel to South Australian waters. To my mind, the original proposition to limit the radius within which a limited coast trade ship might trade to 400 miles, was preferable to the amendment which we are now considering. At present, Victorian vessels are being given a benefit over vessels of other States. The Vice-President of the Executive Council will probably argue that the 400-miles radius for coastal ships would not permit of vessels trading from Adelaide to Melbourne, or from Melbourne to Sydney. But the laws which have been passed never intended that they should do so. Under the amendment, an injustice will be done to the other States for the benefit of Victoria.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [5.17].—The intention of the amendment is to strike out the radius of 400 miles, and to accept the limits for home trade or coast trade ships which are imposed by any State law. Senator Guthrie has been absent from South Australia for quite a long time, otherwise he would know that recently an amendment of the State law has been made, under which the South Australian border has been extended to Albany on the west, and to Melbourne on the east.

Senator R. STORRIE GUTHRIE.—Victoria drove South Australia into that.

Senator RUSSELL.—The Commonwealth is determined to impose its own definitions in respect of our navigation laws, after the fullest investigation. In my judgment, it would be a mistake for us to lay down arbitrary rules now. I do not think it is advisable to impose any more restrictions upon coast trade ships than are absolutely necessary.

Motion agreed to.

Amendments to insert new clauses 9A, 19A, 20A, 21A and 21B and amendments in clauses 10 and 22 agreed to.

Clause 23—

Section 88 of the principal Act is amended by inserting in sub-section (1) after the words "otherwise than in accordance with the terms of his agreement" the words "or the provisions of this Act".

House of Representatives' Amendment.—Omit the clause and insert the following new clause:—

"23. Section 88 of the principal Act is repealed, and the following section inserted in its stead:—

"88. (1) If any seaman, employed on a ship registered in Australia, is discharged—

- (a) elsewhere than at the port of discharge specified in his agreement;
- (b) otherwise than in accordance with the terms of his agreement or the provisions of this Act;
- (c) without fault on his part justifying his discharge; and
- (d) without his consent,

the provisions of sub-sections (5) and (6) of section 50 of this Act shall apply as if the seaman had been discharged in pursuance of sub-section (3) of that section."

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [5.21].—I move—

That the amendment be disagreed to, and the following consequential amendments made in clause 23:—

Page 5, clause 23, line 40, after "amended" insert "—(a)".

Page 5, clause 23, at the end of clause add "; and

- (b) by omitting from sub-section (2) thereof the words 'the master or owner shall provide him with a passage to that port or such other port as is mutually agreed to with the approval of the proper authority' and inserting in their stead the words 'the provisions of sub-sections (5) and (6) of section 50 of this Act shall also apply as if the seaman had been discharged in pursuance of sub-section (3) of that section.'

The object of the amendment is to insure that owners of vessels shall be liable to pay the expense of transporting to their home ports any seamen discharged away from those ports.

Motion agreed to.

Amendment inserting new clause 28A agreed to.

House of Representatives' Amendment.—After clause 33, insert the following new clause:—

"(33A.) Section 135 of the principal Act is amended by adding the following paragraph:—
(e) make provision, where such can be provided without detriment to the safe navigation of the ship, for a wheelhouse or, if such is not practicable, such temporary shelter as may be prescribed."

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [5.25].—I move—

That the amendment be agreed to, with the following amendments:—

- (a) the omission of the words "adding the following paragraph:—(c)" and the insertion in their stead of the words "inserting therein after paragraph (a) the following paragraph:—(aa)"; and
- (b) the insertion, after the word "prescribed" of the word "; and".

This is another of the suggestions brought forward by the seamen. It was pointed out by them that, whilst the great majority of the steam-ships operating on the coast were equipped with a wheelhouse which protected the man at the wheel from the weather, certain ship-owners had refused to make such provision. The new requirement is safeguarded, it will be observed, by a qualification that the wheelhouse can be required only where such can be provided without detriment to the safe navigation of the ship. If a permanent structure cannot be erected for this reason, temporary shelter in the form of canvas screens or the like must be provided, as will be required by the regulations. At the suggestion of the Parliamentary Draftsman, the position of the new paragraph in the section is being altered from the end, where it is among a number of alternatives, to follow paragraph a, where it will stand as a separate requirement. The alteration is purely a formal one.

Motion agreed to.

Amendments inserting new clauses 34, 53A, and 118A, and amendments in clauses 35, 64, and 96 agreed to.

House of Representatives' Amendment.—After clause 123 insert the following new clause:—

"123A. Section four hundred and twenty-three of the principal Act is amended by inserting therein after the words 'apply to' the words 'barges or other vessels not equipped with means of propulsion or to'."

Motion (by Senator RUSSELL) proposed—

That the amendment be agreed to.

Senator R. STORRIE GUTHRIE (South Australia) [5.30].—Apparently this is a suspension of the Act in order to exempt certain barges and other vessels not equipped with means of propul-

sion. I would like to know from the Minister whether the exemption will apply only to barges employed on the River Murray.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [5.31].—In connexion with the recent proclamation of the coasting trade provisions of the Navigation Act requiring ships engaged in the coasting trade to obtain licences, the question arose as to whether barges on the River Murray would require to be provided with licences. These barges are large flat-bottomed vessels without engines or other means of propulsion, which are loaded with wool and other goods, and towed, sometimes two or three in a string, behind the paddle steamers engaged in the river traffic. The only man required aboard the barge is the helmsman, who forms portion of the crew of the towing steamer. As there was some doubt on the point as to whether these barges required licences, the matter was referred to the Crown Law Department for advice. The opinion of the Solicitor-General was somewhat startling. In his opinion, a barge such as those above referred to comes within the definition of "ship" in section 6 of the Navigation Act. It follows that the requirements of the Navigation Act in regard to ships would apply to these barges. I may mention just a few instances of the effect of this. Under section 14 each barge would be required to carry a certificated master and mate. They would also be subject to the sections in regard to provisions, accommodation for officers and men, and licences to engage in the coasting trade. Apart from these main provisions, quite a number of other sections would apply. This, of course, was never intended, and if put into operation, would reduce the administration of the Act to an absurdity. As the Act stands, there is no power to exempt these barges from the requirements mentioned. As it is highly desirable that such power should be given and exercised, it is now proposed that section 423 of the Act, which gives the Minister power to suspend the application of the Act or any portion of the Act to fishing boats, yachts, missionary ships, &c., be amended by inserting after the words "shall not apply" the words "to barges not equipped with means of propulsion or".

Senator R. STORRIE GUTHRIE (South Australia) [5.35].—The exemption will apparently apply to barges employed on the open sea. For instance, a small steamer often tows barges carrying 500 or 600 tons of iron ore from Iron Knob to Port Pirie. This is the open sea, and the calling of a man employed on one of these barges is decidedly dangerous.

Senator NEWLAND.—They do not carry crews on those barges?

Senator R. STORRIE GUTHRIE.—They must carry crews, because they are frequently towed up the coast. On one occasion, in the Gulf, a steamer towed a barge right under, and drowned the men on board. I am prepared to allow the provision to stand, so far as it concerns barges on inland waters of Australia, but I contend that, if barges are taken to sea, crews should be provided. Otherwise, in dirty weather one man on board could not let go a tow-line, or, if anything happened, could not take it on board again. It is cheaper, of course, for a ship-owner to send a barge and a tug-boat to sea than to equip the barge for sails, steam, or oil, and supply a sea-going crew. If the Minister will confine the provision to inland waters, I shall have no objection.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [5.37].—The honorable senator is under some misapprehension. This provision does not exempt all barges. It simply gives permission to the Minister to grant exemption, and, I take it, will apply to barges on such waters as the River Yarra, River Murray, and other inland waterways. The whole matter may safely be left to the discretion of the Minister. The spirit of the Act is to provide proper protection to men on all sea-going vessels.

Senator R. STORRIE GUTHRIE (South Australia) [5.38].—The Minister might reasonably give way. I have met him as far as possible. I want to make sure that when ships go to sea there shall at least be adequate protection for the men on board. I am not thinking of small barges on the Yarra and other inland waters. I am thinking of barges carrying 500, 600, or 700 tons dead-weight cargo. If anything happens to the towing steamer, there would be absolutely no hope of getting the tow-line on board again without a proper crew.

It is all very well for the Minister to say that this matter may safely be left to the discretion of the Minister. We have too much of that already. We are legislating now for portion of the Northern Territory and Western Australia, and we know that if local officials, who will have charge of these matters, have to refer them to Melbourne, the damage will probably be done before any reply can be received.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [5.40].—I cannot accept the amendment in its present form, as it would then be necessary to equip all these barges with the paraphernalia of big sea-going ships.

Senator R. STORRIE GUTHRIE.—Why not?

Senator RUSSELL.—Because it would be a ridiculous proposition in regard to these barges. I can give the honorable senator an assurance that the exemptions will apply to barges plying only on inland waters.

Motion agreed to.

Reported that the Committee had agreed to the amendments with the exception of that for the substitution of a new clause for clause 23, to which it had disagreed, and in place thereof had made consequential amendments in the original clause, and to that inserting new clause 33A, to which it had agreed with amendments.

Senate adjourned at 5.43 p.m.

House of Representatives.

Wednesday, 20 October, 1920.

Mr. SPEAKER (Hon. Sir Elliot Johnson) took the chair at 2.30 p.m., and read prayers.

RESIGNATION OF EX-TREASURER.

Mr. WATT (Balaclava) [2.31].—I desire, by leave of the House, to make a statement concerning my resignation as a Minister, and my withdrawal from the mission to Great Britain.

MEMBERS OF THE OPPOSITION.—Object!

Mr. SPEAKER.—There being an objection, the honorable member may not proceed.

Mr. BLAKELEY.—By way of personal explanation, I wish to say that I was reluctant to take the extreme step of objecting to a member of this House making a statement—

Mr. SPEAKER.—That cannot be the subject of a personal explanation.

Motion (by **Mr. HUGHES**) put—

That so much of the Standing Orders be suspended as would preclude the right honorable member for Balaclava (**Mr. Watt**), the Prime Minister (**Mr. Hughes**), the Leader of the Opposition (**Mr. Tudor**), and the Leader of the Country party (**Mr. McWilliams**) from making statements to the House.

Mr. BLAKELEY.—Get on with the censure motion.

The House divided.

Ayes	..	..	..	45
Noes	..	..	..	11
				—
Majority	..	..	..	34

AYES.

Atkinson, L.	Lamond, Hector
Bamford, F. W.	Lister, J. H.
Bell, G. J.	Livingston, J.
Best, Sir Robert	Mackay, G. H.
Blundell, R. P.	Mahony, W. G.
Bruce, S. M.	Marks, W. M.
Cameron, D. C.	Marr, C. W. C.
Chanter, J. M.	Maxwell, G. A.
Chapman, Austin	McWilliams, W. J.
Cook, Sir Joseph	Page, Dr. Earle
Cook, Robert	Poynton, A.
Corser, E. B. C.	Riley, E.
Fleming, W. M.	Rodgers, A. S.
Foster, Richard	Ryrie, Sir Granville
Francis, F. H.	Smith, Laird
Gibson, W. G.	Stewart, P. G.
Greene, W. M.	Tudor, F. G.
Gregory, H.	Watt, W. A.
Groom, L. E.	Wienholt, A.
Hay, A.	Wise, G. H.
Higgs, W. G.	<i>Tellers:</i>
Hughes, W. M.	Burchell, R. J.
Jackson, D. S.	Story, W. H.

NOES.

Brennan, F.	Makin, N. J. O.
Considine, M. P.	Mathews, J.
Cunningham, L. L.	Ryan, T. J.
Gabb, J. M.	<i>Tellers:</i>
Lavelle, T. J.	Blakeley, A.
Lazzarini, H. P.	Moloney, Parker.

PAIRS.

Bayley, J. G.	Charlton, M.
Bowden, E. K.	Fenton, J. E.
Fowler, J. M.	West, J. E.
Jowett, E.	McDonald, C.
Prowse, J. H.	Mahon, H.
Hill, W. C.	Nicholls, S. R.

Question so resolved in the affirmative.

Mr. WATT (Balaclava) [2.41].—I desire to thank the Leader of the Government for the opportunity which his motion has afforded me of addressing the House. I do not presume to offer any opinion, upon the objections raised by two honorable members. They probably had good and sufficient reasons for so doing.

Honorable members will probably remember that in March last I left this country on what was regarded as a mission of considerable public importance to Australia. They will doubtless recollect also that early in June I resigned from the Government in consequence of differences between the Cabinet and myself, and that on 2nd July the Prime Minister read in this House some cable correspondence which had passed between us, and explained the situation from the Government point of view. The House, according to my view, is entitled, and—I am led to believe—desires, to hear the other side of the story; my purpose to-day is to tell it. In doing so, I hope I shall be forgiven if the personal pronoun obtrudes itself somewhat; but, in the peculiar circumstances, I fear that that will be inevitable. I shall endeavour to unfold a plain, unvarnished tale, so that Parliament and the country may, if they wish, pronounce their considered judgment. At the outset, I ask honorable members to cast from their minds any erroneous expectations which may have been implanted by unauthorized newspaper comments and predictions. I did not return to Australia to ventilate any personal or official grievance. Neither am I intent on pursuing a vendetta against the gentlemen with whom I have worked for more than three and a half years in more or less harmonious concert. Humanity, the world over, is moving, amid conditions of the utmost gravity, to stupendous tasks following upon the war. Australia has her share of those tasks, as also her share of new and wonderful opportunities. There is little enough time, however, for the performance of her big tasks and none at all for the carrying on of quarrels between individuals. In this mood I would willingly have accepted any disapprobation or even obloquy which some hasty or prejudiced persons may have attached to me;

but it is my duty to explain facts in justice alike to the public mind and to any political reputation that may linger around my past work. I am not here to appeal for sympathy or, in any sense, to lick my wounds, or to indulge in intemperate language. But I shall speak very plainly, and I shall have occasion, if permitted by the indulgence of the House, to amplify not only matters in connexion with my recent mission to England, but those connected with the former Peace embassy, from which the Prime Minister (Mr. Hughes) and his colleague, the Treasurer (Sir Joseph Cook) emerged with merited distinction. I shall find it necessary to read some portions of the cable correspondence which were omitted from the published file, as well as to introduce new matter. I have carefully read the speech which the Prime Minister made in this House in July last. In a brief interview which I gave the press in London after my resignation, I said that if Mr. Hughes considered my remarks unfair or inaccurate I invited him to lay upon the table of this House the cables which had passed between us. I imagined that he would have done this, and would have allowed the correspondence to speak for itself. Instead, he employed all the strategy of a past master in his *ex parte* deliverance. Before reading the cablegrams he assumed an air of solicitude and fairmindedness which created an atmosphere of hostility to myself. With a running fire of comments through the recital of the more important documents, he intensified that feeling; and, in closing, he vigorously, if rather regretfully, subjected me to a condemnation which was strangely at variance with his opening declaration. His words were, "I have never said, and do not propose to say, one word against him." The performance proved a victory for the Prime Minister—even if a pyrrhic one. I feel disposed to add at this stage only this: Give me an opportunity of uttering a chorus of criticism when reading my absent opponent's letters, and I will easily prejudice him in the minds of my hearers.

I think I ought, at this stage, to read to the House an extract from a newspaper published in Melbourne dealing with the circumstances of which I propose to treat to-day. It is published in

placard form, and is headed "Which Hand?" The extract is as follows:—

In the course of a few days William Alexander Watt, the quondam Treasurer of the Commonwealth, will reach these shores. Naturally, there is a certain section of the community hoping for political fireworks when he arrives. But they who look for fireworks will probably look in vain. If there is even a stick from a dead rocket, it will be more than surprising.

The whole situation with regard to Mr. Watt and his return is really that all the facts of the case have been placed before the country, and there is nothing more to say. Those who think there is something more to reveal merely suggest that the Prime Minister is such a fool as to try to hide something when, obviously, "the other fellow," from the very nature of the mission with which he was entrusted, would know just as much as he, and be in a position to let the cat out of the bag—if there were any cat or any bag. And even the worst enemies of the Prime Minister would not suggest that he is a fool, or lacking in shrewdness.

Mr. Watt is the one who has to face the music. He undertook an important mission on behalf of his country. That mission meant much to the finances of Australia. It meant much to the future status of Australia among the nations of the world. Mr. Watt left his job at the crucial moment. That charge he has yet to answer. Mr. Watt has yet to explain why he behaved in such a fashion.

Doubtless, when Mr. Watt returns, he will be given an opportunity of making his explanation, not only to his own party, but to the House and to his country as well. It is only fair to Mr. Watt that he should be allowed to do this, for his actions certainly seem to call for some explanation, and he alone can clear away the prejudice they have created. And, having given what must be, and only can be, ranked as a personal explanation or a privileged statement, it will be for Mr. Watt himself to decide whether he shall quietly take his seat in the House or drop out of politics altogether.

When Mr. Watt returns, it will be a case of "Which hand will you have?" One hand may clasp the olive branch, but it would be just as well for him to ascertain whether the other hand does, or does not, grasp a bludgeon.

That is taken from the Melbourne *Punch* of 7th October. I am informed, on good authority, that that paper was recently purchased by Mr. F. W. Hughes, a close personal friend of the Prime Minister. I shall not at this stage traverse the arguments contained in that placard, except to say that I am not to be deterred by any threats of bludgeons from following the track I have marked out for myself. I shall say what I have to say in this free Parliament—and I hope it is still free—disdaining the intimidation of press des-

peradoes hired by the friends of the Prime Minister.

I think I am entitled to say that I did not seek this trip, but strongly recommended that another Minister should be despatched abroad. Eventually, after three discussions, I think there were, extending over almost as many weeks, I yielded to the pressure of a unanimous Cabinet that I should undertake the task. Unanimity is not usual in a Government, according to my experience, and it is to me an interesting, and, shall I say, a cynical reflection that this Ministry have achieved it on at least two occasions. They achieved it first when they decided with many rich compliments that I should go away; and, secondly, when they confirmed the view of their Leader that I was unworthy of trust in the duties which they had recently declared I was so well qualified to perform.

The problems which were assigned me for attention at the other end of the world were many and various. With the exception of those dealing with the affairs of Australia House they all involved important negotiations with the Imperial authorities. A few days after my arrival in London I was surprised to learn that the British Government had not been advised of my mission. This Parliament had been told by the Prime Minister in March that I was to sit as the representative of the Commonwealth in the Imperial Cabinet; but no intimation to that effect had been sent to the British Government. I felt the awkwardness of the position, and cabled to the Prime Minister asking him to wire me full authority to sit. He afterwards informed me that he had sent a cablegram to the Secretary of State for the Colonies, giving the necessary authority. Meanwhile I was an emissary, charged with pressing and far-reaching matters, and the Government with which I was to discuss them had not been made officially aware of my existence. When the matter was apparently attended to I dismissed it from my mind and the uncomfortable remembrance revived only when other developments which I shall describe began to link with it. I have no doubt that such a procedure for the time being, at least, materially prejudiced my status and impaired my usefulness. Although, afterwards, I was sent

confidential Cabinet papers I was never, as a matter of fact, invited to a Cabinet meeting in London. It may just have been that the subjects discussed while I was there were not of a strictly Imperial character. I was, however treated with characteristic personal courtesy, and have no complaint to make on that score.

Those who know London, and particularly the Whitehall and Westminster end, recognise the importance of status as an asset to a Dominion visitor. There are, I imagine, many who would describe this occurrence as an unfortunate blunder, and I was so inclined to consider it; but coming almost simultaneously with other events of a most serious nature, I could not, and cannot even now, adopt that view.

I pass on. The most urgent and important subject I was sent home to handle was finance. The problems were big, and pressing, and they demanded and received first attention. While I was in London money was scarcer and dearer there and in other world markets than in the blackest days of the war. It was impossible for any over-sea borrower to go on to the open market and gather any. I had been given a triple financial puzzle to solve. First, I was to get new loan money for repatriation; secondly, I had to arrange for the discharge of our heavy indebtedness to the British Government; and, thirdly, I had to square up wool accounts and moneys, and gather some of the cash owing to our growers. The more I studied the whole subject before and after leaving Australia, the more it became plain that wool money was the only key that would open the other two doors. With a proper settlement on that matter, I could devise propositions which would satisfy the Imperial Exchequer and help our own Treasury over its immediate difficulties. Everything depended, therefore, on the delicate and tactful handling of the wool problem. Skill and prudence would lead us to probable success, clumsiness to certain failure. Let us see what happened.

While I was on the water, the Prime Minister was approached by what he called in his cable of 20th May "a section of the wool trade" to propound a new wool scheme embracing past and present clips. I have a shrewd idea who that section was,

but I will let that pass for the present. According to the same cable, he "worked up the whole thing," to use his own phrase, and subsequently placed "a complete scheme"—again using his own words—before a private meeting in Sydney on 27th April. I ask honorable members particularly to note that date. All the time he was being approached and was working up and propounding this scheme to outsiders, he was in frequent telegraphic touch with me, as his published cables of 15th April, 16th April, 21st April, 30th April, and 4th May show. Yet he did not mention one word of this scheme to me. Before I left Melbourne, he and I agreed that wool was the pivot of finance in Britain. Yet here was a new set of most important proposals, concerning the most important part of my mission, being dealt with by him in secret, while I was being kept in entire ignorance of the intrigue.

I landed at Naples on 1st May, and received the Prime Minister's cable of the 30th April, suggesting that I should not hasten to London, but should see the Continent. I thought this was strange, since my arrangement with him was that I should go with all possible despatch to London; but I put it down to fraternal solicitude for my health and welfare. I admit that I did not appreciate until later the inwardness of things. I arrived in London on 10th May, and two days later received the Prime Minister's cablegram asking me not to see Ministers about finance or wool until further advised by him. I was still unaware of any new proposals, although, as the Prime Minister said in one of his later cables, the matter admitted of no delay. I replied to his cable the day I received it, 12th May, that I could wait two or three days, but any further postponement would be awkward. The next day, 13th May, the London *Times* published the Prime Minister's wool scheme, which, for the first time, I saw in the press. Later on the same day I received from the Prime Minister a long cable, dated 11th May, containing his scheme, and also containing much that was unnecessary, because it was well known to me, and much that was laughably erroneous so far as finance and trade were concerned. Honorable members may recall the fact that the Prime Minister, in that cable, indulged in quite a lot of

arithmetic. He went so far as to express his belief that by 21st June—that is next June—there would be lying in London, to the credit of various Australian public and private accounts, £135,000,000 sterling. Five months have elapsed since he uttered that opinion, and the conditions have changed so rapidly that a substantial premium is now asked for the purchase of sterling from Australia in London. However, I admit that this is an excursion. I noted in the Prime Minister's cable of 11th May that wool men, bankers and other financial authorities, politicians, and journalists, had been consulted about his new scheme, but not one word of information had been furnished to, or consultation sought with, me. In fact, I appeared then to be about the only man interested who knew nothing at all about the matter. I afterwards learned, however, that the Central Wool Committee had also been kept in the dark. The more I thought of the ready-made wool scheme sent to me, the more I feared its effect on wool interests here and in Great Britain; and Australia's unhappy experience since the wool scheme opened, has, I believe, now convinced many others of its weakness. I was struck by the Prime Minister's methods revealed in this message, and I made my first protest in the cable of 13th May. Even then the idea that this was done deliberately to thwart my mission did not occur to me. I merely thought that this section of the wool trade had, to use a vulgarism, simply "pulled" the Prime Minister's "leg," and that his worst crimes, apart from this, were his failure to see the situation clearly, and his more than usual lack of frankness. I believed that the Prime Minister had committed his final mistake, and would then leave the matter to me to straighten out. If he had done so, any difficulty would have been avoided between himself and myself, and the subsequent outside complications would have been avoided. So I swallowed hard, and went to work. I saw the Chancellor of the Exchequer, and provisionally discussed the payments due by the Commonwealth. I told him that before presenting a scheme for the settlement of our debt to Britain I should have to investigate the wool accounts, and see how much money was due to and procurable for Australia. Mr. Chamberlain cheerfully assented to that procedure, and intimated

Mr. Watt.

his willingness to sympathetically consider my proposals, and help as far as he could. I entered into consultation with the Minister for Munitions, Lord Inverforth, and the Director-General of Raw Material, Sir Arthur Goldfinch. It was quite clear from the first touch with these men that the criticism which had fallen upon the British end of the Wool Pool from certain Australian pens and lips had not rendered a settlement any easier. I explained this in a cable to the Prime Minister. However, ere long the feeling was happily brushed aside, and we got down to business. At my request, the Ministry gave Mr. Collins, the Secretary to the Commonwealth Treasury, free access to all accounts and documents, and placed him in intimate daily touch with the accountants and auditors; in fact, they gave him the "free run of the office." This presented me with the opportunity of checking the vital figures of the profits and the surplus cash in hand. After several days' investigation, the Minister of Munitions and I arrived at important conclusions. These were embodied in my cable of 21st May, which the Prime Minister, I think with propriety, treated as confidential.

In order to illustrate how far the negotiations had gone, I now propose to accept the responsibility of giving those conclusions to honorable members. I shall read the words of the cable which I wish to read, and honorable members can themselves connect them with the cables already laid before them—

Following are the figures of profits tentatively given by Goldfinch. You must treat them as strictly confidential for present. I promised this. Am having them carefully checked. Have obtained for Collins full run of office and all documents, and he and I are in close touch with Robinson in matter—

Here is the part that has not yet been published—

Australia's share of profits year ending 31st March, 1918, £1,900,000. This you already know—

I ask honorable members to remember that we are working up to the end through four yearly rests. The 31st March being the end of the financial year of the British Administration, we take 1918 as the first, then 1919, then 1920, and a date at

the end of the scheme whenever it is cleared up—

Our share year ending 31st March, 1919, £4,500,000. Draft balance-sheet for this period now in my hands will be finalized in, say, three weeks. Rough estimate of our share profits year ending 31st March, 1920, £20,000,000—

That had expired by the time I was speaking about, in May, 1920—

Expect many months elapse before this balance-sheet available. Meantime take it at conjectural value. Still more rough guess at our share profits when all stocks cleaned up another £13,500,000. Total of above approximately £40,000,000 as Australia's share profits. I should mention that all these figures of profits are based upon valuation of stocks at cost. Now as to surplus cash—

As I explained to the Prime Minister in one of the cables, there is a vital difference between profits and surplus cash—

You, of course, understand that, so far, practically all profits have been absorbed in paying for stocks. After much argument I secured statement from Minister and Director that by 30th June, 1920, cash in hand would total about £19,000,000. I said that we must have our share then, and they eventually agreed to hand me £8,750,000. That is about our proportion of £15,000,000, and is sum we have contracted pay British Government. Need not stress this point further now. I then pressed for another substantial payment before I leave Britain, say, in September. They agreed, but we could not decide amount at the moment. I am, however, hopeful that I can get between ten and twenty millions as second dividend before returning. Directors estimate of carry-over next September between three-quarters and one million bales, mostly cross-bred medium to low grades. Generally I am well satisfied with result of negotiations. Are you?

I may say that, so far as I remember, the Prime Minister never answered that inquiry—

MR. HUGHES.—Yes, I did.

MR. WATT.—All this was the result of about a week's work, and I was naturally gratified at it. Honorable members will remember that the Prime Minister said that he and the Central Wool Committee had been trying for two years to get as far. On the spot I had been able to get there in seven days. I was satisfied that by the 30th June I would lift £8,750,000, and by 30th September at least another £15,000,000, and very possibly £20,000,000. The figures are, of course, gravely lower than that, but that I shall discuss at another

stage. In accordance with my arrangement with Mr. Chamberlain, I then set about shaping my scheme for the Exchequer, when a sudden change came o'er the scene. When next I met the Minister for Munitions I was shown a cable which the Prime Minister (Mr. Hughes) had sent direct to the British Government, containing three things in this order: Firstly, a demand for a definite statement without delay of the amount due to the wool-growers of the Commonwealth; secondly, a demand for payment forthwith for all wools sold to date; and, thirdly, proposals for the new clip. The cable concluded by asking for an immediate reply. It had been sent straight to the British Government, as if I were not in London, and no mention was made of the fact that I had been sent to Great Britain to discuss and settle the first two matters. I, of course, never contended that I had been asked to deal with the new clip. I said so in my cable to the Prime Minister. The new clip was intimately connected with my mission, but it was not part of it. I had certainly been nonplussed when I heard from the press that the Prime Minister had been developing problems so intimately connected with my mission without my knowledge. I was deeply concerned when I found from his telegram how far his proposals reached into my scheme, but never for a moment did I imagine that he would communicate those proposals direct to the British Government, and ignore the presence in London of the man who had been sent there to deal with them. No Minister can have any objection to receiving the views of his Leader if they are sent direct to him, whether or not they agree with his own, but the position is quite different when his back is broken by that leader's views being communicated direct to the people with whom the Minister is in negotiation. The Minister for Munitions told me that he felt gravely embarrassed by the situation. He had arrived at certain important understandings with me, in the belief that I was fully accredited, but on the top of them he had received straight from the head of my Government demands of a totally different character. It was impossible, he said, to do business with me while the Prime Minister was trying to do it direct by cable. I was

politely bowed out of the office, and the door which I had so successfully opened was closed behind me. On 27th May I cabled to the Prime Minister setting out the position, and saying that I could proceed no further until my position was defined. In his answering cablegram of 2nd June the Prime Minister raised a smoke-screen of verbal irrelevancies. He was studiously courteous, but he rejected by evasions the only conditions on which I said, and knew, and still know, I could do good work in London. On the 7th June I resigned. The Prime Minister, in his speech in this House on the 2nd July, expressed wonder that the very politeness of his telegram had not pacified me. I recognised and marvelled at that unusual exhibition of suavity on his part. In point of tone the cable was a jewel, but principle is more than tone, and instead of accepting the principle for which I was rightly contending, he indulged in long recriminatory recollections of my treatment of him when he was abroad, all of which I shall to-day duly answer. Right through his urbane cablegram there runs the assertion that he was right in submitting proposals direct to the British Government which cancelled the ones I had been authorized to make and conclude. He was apparently careless or oblivious of the fact that his intervention had superseded me. Whatever else honorable members may forget that is important in this conflict, I hope they will remember that the crucial step in the destruction of my mission was taken by the Prime Minister when he went over my head to the Imperial Government and inflicted damage that was beyond repair. The king pin of the mission was wrenched from my hands, and I was absolutely powerless to proceed. My authority had been withdrawn by the hand that gave it. My tentative and highly advantageous settlement had been rudely torn up, and I was removed from the arena of negotiations. Surely no more staggering blow was ever dealt to a trusting colleague, but I shall not dwell upon that phase; others may do so if they are sufficiently interested. There are some people who, not understanding the position, have said that I should have put my self-respect in my pocket, gone on with my work, and fought the issue with the Prime Minister when I returned. Diffi-

cult as that would have been, I would have done it if thereby I could have rendered useful service to Australia. But my principal had intervened, and I was no longer a factor in the discussion. British Ministers are not fools, whatever the Prime Minister may think or suggest, and the ones concerned with the wool problem properly felt that it was unwise, unsafe, and impossible to negotiate and make arrangements with a subordinate Minister when his leader did not recognise him, and, with his conflicting demands, repudiated the line of settlement already agreed upon. Their courtesy was unfailing, but their meaning unmistakable. I observe that in his July speech in this House the Prime Minister suggested that I had abandoned my position wantonly, and left the Commonwealth stranded and helpless, apparently heedless of, or subtly hiding, the fact that the situation was the direct and inevitable result of his own deliberate acts. Even when animated by fraternal motives, the Prime Minister's mischievous ubiquity surrounds his colleagues with difficulty. He is evidently obsessed with the idea that no man but himself can do good work, and he cannot keep his finger out of any pie. I could have completed this business if given fair play and a reasonable chance; but it is impossible to do business in London under the conditions he created. Throw doubt on the credentials of an envoy in Britain and he might as well leave. Failure to notify my mission to the British Government cast a doubt on my authority. Direct and contradictory negotiations while I was there, and after I had arrived at agreements, confirmed the doubt. In the circumstances, I felt that I could do no good for the Commonwealth, and so I decided to withdraw. And I say plainly, after four months of further reflection, that I would do precisely the same again if confronted with similar circumstances. The Prime Minister contended that he was trying to give me support. The support he gave me was the support which the rope gives to the condemned man. My understanding with him in regard to finance and related matters was that I should be untrammelled. In the pressure he brought to bear upon me to undertake this work he flattered me with the suggestion that

I understood these subjects better than did any one else. He admitted that he knew nothing about finance, and he inferred that Parliament and the people trusted my judgment. He knew then, as he knows now, that I would never have left Australia if I had imagined that in this delicate and special financial work I would have been so grossly tampered with.

Now I come to another phase of the subject. The Prime Minister dwelt impressively upon the wrong my resignation had inflicted upon Australia in leaving it unrepresented at the Brussels and Spa Conferences. He described those gatherings as being vitally important to our people. The first notification about the Brussels Conference reached Melbourne before I sailed from Australia. It was sent by the Prime Minister's Department to the Treasury Department, and I wrote a minute on it to the effect that if the Conference were held while I was in England, I would attend it on receipt of a cablegram from the Prime Minister. I received a cablegram from Mr. Hughes, dated 21st April, when I reached Suez, intimating that I was to represent Australia at the Conference, and I replied that I would do so. The meeting was summoned by the Secretary to the League of Nations to study—honorable members will be good enough to mark this—the international financial crisis. I understand that the matter originated in requests signed by a number of business men in various Allied countries, and presented to their respective Prime Ministers. The British Prime Minister, in consenting to the Convention, laid down the condition that nothing done at it was to increase the obligation of Great Britain to help any other nation. The idea behind the Conference was to see if some solution could be found to the puzzle of international exchange. The French and Belgian franc, the Italian lira, and the German and Austrian mark had suffered a tragic though varying decline in value, and it was consequently difficult, if not impossible, for countries trading on a non-depreciated sterling basis to do business with the countries whose currency had fallen. The British Government nominated three bankers to represent them, and did not send a Minister, although the revival of the Continental commerce of

Great Britain might have seemed to warrant the appointment of a Minister. They, however, thought lightly of the matter, and the more I studied the subject, the more I became convinced that there was nothing in it for Australia. Our microscopical contribution to the relief of the difficulties of international exchange could only be given by increasing the already heavy load on the Treasury and on our private financial institutions, and I felt that it would be extremely indiscreet to undertake anything of the kind. The only way in which Australia could help the stricken nations of Europe was to grant credits for goods sold to them; in other words, to take their bonds in exchange for her commodities. Had we consented to do this, we should have increased our own misfortunes 100 per cent. for anything we might do to relieve theirs. This, in the then state of our finance, would have been dangerous, for it would have meant either raising a special loan for the purpose, or the still further inflation of our already big paper issue. The Brussels Conference, instead of bringing grist to the mill of the Commonwealth, would, if we had been committed to anything by it, have drawn upon our substance. Mr. Collins, the Secretary to the Treasury, who eventually attended as the representative of Australia, discovered this, as his cabled interview published in last week's newspapers plainly indicates. The clouds of the Brussels Conference were not big with blessings for Australia, as the Prime Minister (Mr. Hughes) professed, and honorable members will see that Australia lost nothing by my non-attendance at the Conference.

Now we come to the Spa Conference. One would conclude from Mr. Hughes' references that I had been appointed to represent Australia at the Spa Conference, which was summoned to meet early in June. That was not the case. On the 12th May, the British Prime Minister cabled to the Australian Prime Minister, through the old channel of the Secretary of State for the Colonies and the Governor-General, directing attention to this matter. Although I have a copy of the cablegram, which I obtained by direction from Lord Milner, I doubt whether I am at liberty to read it. It is not marked secret or confidential, but there are portions of it which, in British interests, it

might not be advisable to disclose to the German Government. I think, however, that I am at liberty, now that the Conference is over, to refer to some portions of the cablegram without a violation of propriety, in order to show generally what was the contemplated purpose and scope of the Conference, and what was the invitation given to Australia. At Spa the representatives of the Allied Governments were, for the first time since the signing of the Peace Treaty, to meet the representatives of the German Government. The primary purpose of the meeting was to ask the Germans to explain past infractions of the Treaty, and to make arrangements for its future execution. A serious attempt was also to be made to fix the liability of Germany for reparation. It was thought that Germany wished to know her exact liabilities. It was considered that certain other matters might be raised, but—and the cablegram is perfectly plain about this—there was no idea of a revision of the Versailles Treaty. The British Government, feeling that the Dominions were interested, invited each of them to send an accredited plenipotentiary to attend meetings of the British Empire delegation in London, to discuss with British Ministers before they went to Spa the questions involved. That was the substance of the whole matter. The meeting was an Inter-Empire gathering in London preliminary to the Conference at Spa.

AN HONORABLE MEMBER.—Was there any possibility of the White Australia policy being interfered with at that Conference?

MR. WATT.—I think not; but I do not wish to make excursions into other matters now, and thus, possibly, confuse honorable members regarding the main issue. Canada nominated its High Commissioner, New Zealand nominated its new High Commissioner, South Africa sent no one, and I was deputed to attend for Australia.

MR. CONSIDINE.—Not to attend the Spa Conference?

MR. WATT.—No; to attend the meeting in London.

MR. MAHONY.—You were to meet the British Ministers?

MR. WATT.—That was the invitation. I believe there was a short meeting of the Dominion representatives in London, but it was not treated as of much consequence. Mr. Lloyd George sent a cable-

gram to Mr. Hughes, declaring that what was required in Europe was prompt decision, if hundreds of people were not to perish from disorder and famine; that delay at arriving at conclusions now must precipitate Europe into chaos. That was why he asked for plenipotentiaries. I find that, by the dictionary, a "plenipotentiary" is defined as "an ambassador or other high official invested with full power." I was nominated as the Australian plenipotentiary, but I was gravely told in the same cablegram that I was not to agree to certain things without consulting Mr. Hughes. The arrangement was so Gilbertian that I was divided between amusement and annoyance. The idea of being asked to masquerade as a man with plenary powers, although knowing that I had none, was ludicrous, and I told the Prime Minister so in unmistakable language. I do not believe in hypocrisy of that kind, and I did not see why I should not say so. That ended the matter; but the Prime Minister (Mr. Hughes), in his cablegram of the 2nd June, sent me an unctuous homily upon the evils of my ways. I had not the slightest desire to assume the powers of a plenipotentiary, but I objected to making a farce of a very serious drama. If the Prime Minister had, in his reply to Mr. Lloyd George, objected to the status to be conferred upon Dominion representatives, as he was perfectly entitled to do, and had nominated me as the representative of Australia, I would not have been serving under false colours, and I would have been only too glad, in fact eager, to consult by cablegram with the Australian Cabinet, and especially with the two Ministers who knew the provisions and issues of the Versailles Treaty better than I did. But the Prime Minister did not appreciate the incongruity he had created, and chided me with wishing to usurp the functions of the Government. The Spa Conference accomplished nothing. When I arrived in England, as the press extracts will show, I put Australia's view about reparation and indemnity in an uncompromising manner: but I was long enough in England to have lost faith in any German indemnity for British people worth talking about, and any man who builds on it is, I am afraid, building on air. In saying this, I do not reflect on the genius and strength of purpose of Mr. Lloyd George. No man can visit

Britain and watch him at his work on world problems, noting the great influence which his rare and magnetic personality exercises over Continental statesmen and nations, as well as on the great bulk of the British people, and feel anything but sympathy and admiration for him in his giant tasks. I may be wrong, and I hope I am, but with the unparalleled decline in Continental currency, the disorders that reign in Europe, the resolute intent—and I beg honorable members not to think that the words are hastily used—with which France is pushing for a larger share of any indemnity, and priority in its payment, even straining the Franco-British Alliance in the attempt, I feel that in the end the British Empire must submit to receiving much less reparation than the Treaty provides. It is a lamentable thought, but I believe a true one. Mr. Hughes may place any value he likes upon a gathering of Ministers and High Commissioners in London, but I object to him misleading the people of the Commonwealth by saying that I was appointed to attend the Spa Conference, and by magnifying the loss Australia suffered by my absence.

Dr. MALONEY.—You are not fair to France.

Mr. WATT.—I am giving my frank opinion.

Running through the Prime Minister's speech, and in one of his principal cables to me, are two assertions. First, that he and I were in exactly the same position whilst abroad, he at the Peace Conference and I in London; and, secondly, that I had imposed on him the same control as he was placing on me. I will deal with these assertions in their order, and hope to prove the first a fallacy and the second untrue. Dealing with them in their order, let me say that there was a vital difference between his task and mine. He and Sir Joseph Cook left this country six months before the war closed, to attend a Conference of Empire statesmen convened by the British Government. We had had no advice as to the matters to be considered, and they left without knowledge of them, with no instructions, and after no discussion with their colleagues. We were hopeful that peace would come while they were in Britain; but we did not know, and could only hope. Then came the Armistice and the Peace Conference,

which threw upon them tremendous responsibilities. With the exception of one matter, with which I can deal more fully at a later stage, if necessary—and which arose before the Conference assembled—our peace delegates were left entirely free from interference or control. If the cables were laid upon the table it would be seen that our messages to them are classifiable under three heads: first, those appealing for information regarding the progress of the deliberations; secondly, many voluntary messages giving helpful data or suggestions; and, thirdly, strong cablegrams of approval and support sent in response to their requests. Once or twice, it is true, I explained to the Prime Minister how awkward it was for his colleagues here to read his views, as published in the press, before we had received them direct. But, with the one exception referred to, the Prime Minister received at our hands, as Peace Ambassador, no word of criticism and no instructions or directions. No other delegates to that Conference were as free. These are generalizations, and provable, if the Prime Minister desires, before any judicial body. However, let me give two specific illustrations to which he has drawn attention. He complained that his Government turned him down regarding the island of Nauru. I will read the cablegrams upon that question, and allow honorable members to decide for themselves. The right honorable gentleman's cablegram, which I have in my possession, is dated 31st January, 1919; and, as the Prime Minister has dealt with these matters, and, in some secret or mysterious way, has conveyed the impression that he was badly treated upon this phase; and since this was my cablegram, I take the liberty to read it. I labelled it, "Very urgent and most secret."

Dr. MALONEY.—I suggest that the honorable member give up a lot of this secrecy. Let us have the whole business to-day.

Mr. WATT.—I am doing so. Honorable members will please remember that this was just shortly after the Conference had assembled. The cablegram reads—

Very urgent. Most secret. Pacific Islands. Your telegrams 29th, 30th January arrived simultaneously, and were considered at length by specially called meeting Cabinet. Your colleagues appreciate and share your bitter disappointment at turn of events. It is clear

to us that the situation and prospects outlined by you are fraught with the gravest possibilities to the people of this country. The Government's unanimous view is that Australian representatives and other Dominion statesmen are now being forced to proceed to a policy of complete isolation, or, alternatively, to accept conditions surrounding our future safety and welfare which are not warranted by moral or national considerations.

Your former cables conveyed comforting assurances that the representatives of Britain and France would accept Australia's point of view and support her in this vital matter, and we view with greatest apprehension the changed attitude leading to acquiescence in Wilson's procedure and objective. However the project of League of Nations may shape itself, the people of this country fully expected that the Peace Conference would determine such territorial questions before it rose. If this is to be left to some other gathering to be convened later, Australia will feel that its future has been left in a condition of grave doubt, and the Government begs of you to stress this phase to other Dominion statesmen, and particularly to the controlling minds of Britain, France, and America.

On the question of mandate, the people of this continent strongly feel that British or Commonwealth Government, preferably the latter, should be given full control of former German Possessions now in occupation of our Forces. Our beneficent rule of native races in Papua should be sufficient guarantee to our great Allies that, if intrusted with this responsibility, we shall exercise our powers wholly in the interests of the health, education, and prosperity of the natives. If this full trusteeship is impossible, then any mandate should specify publicly and definitely that the control of immigration, Tariff, and trade matters should be given to the administering authority. The most important of these is immigration. If this is not specified, Australia's racial policy will be challenged and injured, if not destroyed. This can only mean eventual predominance of mixed and inferior races in the islands. Surely America must sympathize with a people isolated and adjacent to unnumbered coloured millions, but resolutely facing its duty to keep this fertile continent and its intimately associated islands for the selected white races.

Australia's *bona fides* have been demonstrated in such matters ever since her people have undertaken national tasks on this continent and the associated islands. Definite mandatory control, if inevitable, as it may prove, should, we contend, be vested in the Government of the country whose security is especially affected, and whose troops are in occupation of territories in question.

Paragraph (9), your telegram, 30th January, indicates that Botha, Massey, and yourself, after discussion, agreed to accept inevitable if their Government approved. You are best judge as to whether it is inevitable, but we hope, reinforced by the foregoing views you will strongly press for reconsideration and settlement more acceptable to our people.

Mr. Watt.

We appreciate as much as ever the advantage to Australia of Empire association, and of protection, past and future, by British Navy, and think that, while Australian people would probably accept—that is, if you yourself accepted—whatever the statesmen of the United Kingdom and other Dominions determined, a settlement, supported neither by necessity nor highest moral interests, would seriously damage splendid feeling of cordiality towards British connexion, which hitherto has dominated our political and national existence.

We feel sure you realize, notwithstanding all those arguments, that Australia could not endanger relationship with Motherland and antagonize America without placing its whole future in jeopardy, and your colleagues, in full recognition of the splendid fight you are putting up to preserve Australia's future, and requesting you to continue such representations as far as you may consider it prudent to do, leave this most important of all considerations entirely in your keeping, contenting themselves with an expression of the hope that, should developments appear to render imminent a decision seriously affecting our continued relationships with the British Government, you will, if possible, take the opportunity of conferring with us.

(Signed) WATT.

That was the cablegram which we sent to the Prime Minister and his colleague on 31st January, 1919.

Mr. CONSIDINE.—That explains Nauru.

Mr. WATT.—I have a lot more besides. This message was full of the strongest possible data and considerations, with which—in the busy hours he was then living in London or Paris—he could reinforce his representations to the British, French, and American Governments. It presented in a more tabloid form than had ever before been stated the whole question of the mandates, of the acquisition of the islands, and its influence upon our future racial and industrial development. It told the Prime Minister what was the feeling in Australia, and it then said, in effect, "We leave all these things in your hands, and are absolutely content to let you exercise your judgment. But, if there should be a great crisis, and, on the one hand, America should frown on your representations, and Britain should do as was suggested that she threatened at one time to do—that is to say, not support us in our suit—then we ask you, if possible, to confer with us." Up to that point no man could have been given a greater charter of generosity or liberty to work upon; and that went right through, to

the one point when the Prime Minister said we had turned him down.

I shall now read the other cablegrams. The Conference went on, and these questions had not been settled. We were constantly wiring for information concerning how the Prime Minister and his colleagues were getting on. We were not blaming our delegates for not advising us. We knew the ramifications and the details inseparable from such a gathering of the world's statesmen. But we sent to the Prime Minister this cable, on 1st May, 1919:—

Cabinet has been waiting patiently for some information concerning destination of German West Pacific Islands. Surely matter has been determined, and we are anxious to learn our fate. I need not restate general arguments for control, for Australia's safety's sake, of all islands now in military occupation of Australian Forces. Whatever happens to League of Nations, that insurance is vital.

I feel, however, I must again emphasize view of Government respecting Nauru. British authorities are apparently treating it as if it were to pass to British Commissioner for Pacific. Your colleagues hope you will vigorously resist such proposal. Our troops took it, and have garrisoned it for over four years. If we are to get mandate for other German Islands, and not that one, it will be impossible to understand basis of settlement or explain away so ugly a differentiation. Its transfer to Commonwealth with other adjacent and similar lands will simplify and cheapen administration, and obviate complications arising out of overlap of authority by Britain and Australia in these seas. Our orbit of authority would be plainly charted, and our responsibility clearly discernible. These considerations appear to Government to be elementary and irrefutable. Add this one with all the force of which you are capable.

If cost of war is not to be included in reparation bill, Australia's hope of getting anything substantial in relief of its crushing war debt is slender. Nauru is the one island whose receipts exceed its expenditure. Its phosphate deposit marks it of considerable value, not only as a purely commercial proposition, but because the future productivity of our continent absolutely depends on such a fertilizer.

Without a sure and reasonably cheap supply of phosphate, our agriculture must languish, and instead of peopling our vast unoccupied interior, population will continue to hug the seaboard, where they will be a comparatively easy prey to any predatory Power.

Unless we rapidly increase in numbers and in production, the national treasury will be unable to stand the strain now resting upon it. Australia's total public debt to-day is greater by scores of millions than Britain's was five years ago. Think of 5,000,000 people carrying an unproductive war debt of £300,000,000.

League or no league, we must always remember that more than half the people of the world look with hungry eyes across narrow seas at our great empty land. We must guard this British outpost, and we can only succeed by liberal encouragement from our elder kinsfolk. We leave matter in your hands, relying on the wisdom and generosity of British statesmen.

(Signed) WATT.

Four months had passed since the first telegram. The second telegram, supporting, and becoming more specific in data, was sent to him in May, and finished by leaving the matter entirely in his hands. He replied on 7th May. I am not at liberty to read his telegram—he can do so if he likes—but in it he told us, and I must boil down the substance of the message, that great difficulties had occurred in regard to Nauru; that he could not get a mandate for Australia; and that, apparently, there was to be a British partnership. (He concluded by saying, “I will not sign the Treaty, and will not accept mandate for other islands. Do you agree? Very urgent.” That was the attitude which the Prime Minister took up on the 7th May, and my answering telegram to him on 9th May was as follows:—

Secret. Your telegram May 7th, Mandates: Nauru.—I thoroughly sympathize with your frame of mind and disappointment *re* this island. I propose in review of peace terms in press to-morrow morning to deal with the matter as firmly as I consider it prudent to do so; but I think it would be improper not to sign Treaty because our reasonable aspirations regarding Nauru have been frustrated. If Australia says she will not accept mandate for islands because Nauru not included, the natural reply will be we are grabbing at valuable asset. I suggest that you put up best fight you can, and, if defeated, sign, relying on subsequent negotiations and representations to compel Britain to accede to our view or make suitable equivalent arrangements of financial kind. This is also Cabinet opinion.

Mr. WATKINS.—Then, were we sold?

Mr. WATT.—I am dealing with another matter. The honorable member may deal with that phase of the subject for himself. The point I wish to make is that, in reply to the right honorable gentleman's inquiry as to whether I agreed that he should not sign the Peace Treaty, and should not accept the other mandates if he could not get his way in regard to Nauru, I said that I thought it would be improper not to sign the Treaty, and “suggested” that he put up the best fight he could, and rely on subsequent

representations to unravel any tangle that might occur. I did not give any instructions. I was not entitled to do so, nor were my brother Ministers; but we made suggestions, and gave helpful ideas all the time. The Prime Minister's reply on 4th June, nearly a month later, was this—

In face of your telegram, I could, of course, not follow the only course that would have given us full control of Nauru and its phosphates. I am quite sure I should have succeeded had Cabinet supported me. As it did not, I have been perforce compelled to make best of a bad job.

The Prime Minister suggests in his arguments concerning this matter that we controlled him, and that he was subjected to unfair treatment. I will ask any unbiased jury if Cabinet would have been justified in telling the Prime Minister not to sign the Peace Treaty, and not to accept the mandate for the other captured islands, simply because the mandate over Nauru was eventually to be a partnership between certain parts of the British Empire, and not a purely Australian mandate. Any jury can answer that question to suit itself; but I cannot conceive that any rational body of Australians would have thought the Government wrong in assuming that attitude. As a matter of fact, I believe the arrangement ultimately arrived at in regard to Nauru is a better one than that which the Prime Minister sought, and that it is less likely to load us with heavy capital charges in the purchase of the whole of the company's rights. I propose, at a later stage, to give the facts regarding the new agreement for the purchase of those rights. I am quite sure that historians will have no difficulty in deciding who played the statesman on that particular occasion.

I will take another case. The Prime Minister said, in his cable to me dated 2nd June—

You complain that I communicated with the British authorities. Let me remind you of your own practice while I acted as representative of Australia in London. I could mention many cases in which you did this on matters relating to my mission, but one will suffice. In November, 1918, you advised Secretary of State of Government's approval of principles of clearing scheme for settlement of pre-war debts, merely notifying me of the action taken. That was clearly a matter on which I might have been consulted, at all events.

Mr. Watt.

That is a quotation from the Prime Minister's cable of 2nd June. I have not the means of proving what I am about to say, but the Prime Minister has. My recollection of this matter is that the present Minister for Trade and Customs (Mr. Greene) carefully examined this scheme when submitted by the Imperial Government and brought it to Cabinet for approval. I said, however, that before accepting the recommendation the Prime Minister should be consulted, and I authorized the despatch of a cable asking his views or wishes. After some delay the Prime Minister said he agreed, and Cabinet approved and formally notified the British Government. The Minister for Trade and Customs may recall the procedure adopted; but, in any case, the official files are open for inspection, and I have the temerity, after the lapse of two years, to rely upon my memory of the matter. If I am in error I will gladly make amends to the right honorable gentleman. So much for that point.

Honorable members, if they wish to judge such questions fairly, must, I submit, distinguish between the Prime Minister as Peace Envoy and the same man as Dominion Minister doing business for his people in Britain. The right honorable gentleman would fail before any fair tribunal to demonstrate that he was placed in harness as a Peace Envoy: but he complained in this cable of 2nd June that I had repeatedly checked and blocked him in his other capacity as a visiting Minister. He gave several instances in addition to the one I have cited. I propose to take a few of them. He said that I had extended the wool contract without his consent. That statement, so far as it goes, is quite true. The question of wool was never mentioned as one to which he would attend, and, at his own request, I was specially placed in charge of it during his absence. I shall deal with this more fully when I come to refer to my earlier resignation from the Government, to which the Prime Minister, in his speech last July, gave much prominence. Before discussing the subject, however, let me say that, on several occasions while he was in England, he urged me to prevent any further extension of the wool contract. But for that, I have no doubt, the recent catastrophic drop in prices would not have fallen on Aus-

tralia's shoulders, and our great pastoral industries would have been standing to-day erect and prosperous instead of shivering in the night of uncertainty which bids fair to dislocate public and private finance in this country.

Knowing the Prime Minister's incensancy, and his notorious desire to meddle in everything, I laid down the principle in my cables while he was away that general government functions where it lives—a principle which he indorsed and quoted—but that in regard to the special subjects intrusted to an absent Delegation the position is different. That is why I was studiously careful not to interfere with the Prime Minister in relation to matters specially placed in his hands. Wool was not so placed. It came within the province of general government.

Here is another complaint also made by the Prime Minister in his cablegram of the 2nd June. He said—

For months you have communicated on many matters with the Secretary of State direct without notifying me at all.

And in his speech on 2nd July, he said—

For six months I never saw a cablegram, except those from this end to the British authorities, which were shown me by the Secretary of State.

Here again the Prime Minister is in a position, with all the official files in his possession, to prove or disprove the statement I am about to make. I remember, that shortly after his arrival in London in 1918, he asked me to telegraph him copies of all cables exchanged both ways with the Secretary of State. I pointed out the enormous expense of such a duplication, for our correspondence then was very heavy. Honorable members may recollect the congested state of the cables at that period—a congestion which the press and the public said was due to the huge volume of Government messages going through. After alluding to the expense of duplicating such messages, I further advised the right honorable gentleman to get the Secretary of State to promptly hand him in London copies of all cables despatched or received. That was the quickest, cheapest, and most business-like procedure. If he had not received these cablegrams for six months, it was his own fault. That is my answer to him.

Take another complaint. In his cablegram of 2nd June, the Prime Minister said to me—

Then, in May, 1918, *re* finance, you said I must do nothing involving finance on large scale without consulting you.

That is not strictly correct, but it serves to recall an interesting episode. Everybody thought the Prime Minister was going in an Orient ship, *via* Suez, to London. The people who said good-bye to him in the Melbourne express on the Sydney station certainly thought so. Many learned with surprise that he had doubled back from Homebush, and had joined the *Niagara* for the Pacific route. It was all very mysterious to me, his *locum tenens*, and I—and I think other Ministers as well—had to submit to much badinage about it. A week or two after he had sailed, I heard for the first time that the Governor of the Commonwealth Bank, Sir Denison Miller, was a fellow passenger on the *Niagara*. Knowing the enterprise of my late leader, and remembering his daring transaction in the purchase of ships when he was in Britain on a previous occasion, I adopted a wise precautionary measure. I had just gone to the Treasury, was deeply concerned about the condition of the loan moneys, and, wishing to be sure rather than sorry, I sent him, according to my memory of the occasion, a request, not an instruction, as Treasurer, that he would not embark upon anything involving large moneys without first consulting me. He at once acquiesced, showing, I presume, his complete approval. Is there any man here, remembering the war and finance outlook at that hour, who will pronounce such an action as unfair or unjustified? I here, again, speak without access to official documents, but the Prime Minister is at liberty to table the cables, which, I venture to say, will bear out my recollection. I shall now traverse another statement in the Prime Minister's cable of the 2nd June. In that cable the Prime Minister said that in connexion with the sale of the Australian ships in March, April, and May, 1919, I had said the proper procedure was to obtain definite authority from the Cabinet, and that he should carefully observe that rule. The facts of the matter are these: About March, 1919, the Prime Minister started selling the ships of the

Commonwealth as if they were his own private property. The Minister in charge of shipping (Mr. Poynton) was as much disturbed as I was. The Cabinet had never been consulted as to the method of disposing of our tonnage, and the first we knew of the matter was when the Prime Minister told me of the sales he had made, and asked me to arrange for transfer to the British register.

Dr. MALONEY.—Why did you not let us know at the time?

Mr. WATT.—When my honorable friend gets into Cabinet he will know that a Minister cannot do such things.

Dr. MALONEY.—He can, if he wishes— if he is honest.

Mr. WATT.—I hope the honorable member is not casting any imputations on me.

Dr. MALONEY.—No.

Mr. WATT.—I remonstrated with the Prime Minister, and reminded him of the requirements of the Audit Act. The real point, however, in this discussion is whether I impeded him in his legitimate duties as an absent Minister. The answer to that question is that not one of his then colleagues thought it was part of his job to undertake such business without previous consultation with the Cabinet, and they authorized me to say so. No rational man charged with the responsibility of running the Government at that or any other time could have taken any other course. The mere fact that the Prime Minister does not see the difference between the definite commission on finance with which I departed from Australia and his own unauthorized activity is an evidence of obtuseness—and I say it firmly —which he has hitherto successfully concealed.

Now, as to wheat, which is the remaining question. The Prime Minister complains that he was hampered by contradictory instructions and compelled to back down concerning some arrangements he had made with the British Wheat Commission. There is a man at present in the Cabinet (Senator Russell) who could answer if he would. All I know is that the Prime Minister, himself, constituted a Wheat Board, of which Senator Russell was chairman. He gave to that Board large powers regarding wheat, and everything that was said by Senator Russell in

the cables I despatched for him to the Prime Minister was after consultation with the men whom the Prime Minister had appointed as trustees for the owners of the wheat. There are a great number of men, intimate with the wheat trade, who regret that the handling of the commodity was not in commercial hands at that particular time; and these men were in some cases associated with the Board.

I now sum up by saying that, as peace envoy, the Prime Minister was, in the fullest sense of the word, a plenipotentiary. He was subject to no interference or control in that capacity. I never communicated directly with the British Government on one subject arising out of his peace negotiations without his previous approval. All my suggestions and help went directly to himself. In all business—as distinct from peace matters—which the Cabinet placed in his hands, he was just as free, with, perhaps, the doubtful exception of wheat; and any influence that was brought to bear on him was of his own creation—it did not emanate from his Ministers. With regard to the things he did outside his specific commission, the telegrams will show that I sought nothing but Cabinet consultation by cable, which was a perfectly legitimate attempt. This the Prime Minister resented. I think there is something unfortunate in the fact that a man with such an adroit and able mind should harp raucously on matters that, after all, are small, and do not apply. I have paid extended attention to those matters, not because they are strictly germane to the issue between us, but because the Prime Minister raised them, and I am anxious to give honorable members the answering facts. If the Prime Minister's view were right, that my position was identical with his own at Paris, at best he was, according to his own showing, only trying to get a "little bit of his own back;" in other words, he was trying to flog me with the whip he said I had used on him. I have shown that our missions were widely different—that I never used the whip as he suggested, and, above all, and this is the crux—that I never communicated directly with the British Government on matters concerning his work without his previous knowledge or approval.

I now come to some other matters. I think it is generally true that the management of wool affairs by the Central Wool Committee has been wise and successful. I know there has been criticism directed against its administration; but, considering the magnitude and diversity of its business, I have always thought that the organization established to handle the Pool worked with smoothness and satisfaction. The Government and the growers have been fortunate in securing the services of so many able men to perform this work; but while that is true of the Central and State Committees, I am not sure it is true of the Prime Minister whenever he interfered with wool. Some of his decisions are like the peace of God; and when I was looking at the wool matters in London a few of them came under my notice. There was a question of the supply of 50,000 bales to France, which the British Administration felt bound to deliver. They regarded the transaction as good business, and they asked me to get the matter fixed up when I was in London. I, therefore, wired the Prime Minister on the 21st May, and told him I thought he should give a decision, and that in view of the history of the negotiations I did not see how we could refuse. That, I may say, was for some reason omitted by the Prime Minister when he read the cables to the House. He replied on the 29th May, and told me not to "worry about it." That was his gentle way of telling me it was none of my business; but I did "worry about it," first, because the British Administration, with whom I was working more or less amicably, desired a decision, and, secondly, because I knew we were offered good business. The price at which the wool was to be sold was at the rates of February, 1919, which were higher by 85 per cent. than the appraised rates. Apart from our obligation to give France the wool—if there was such an obligation—I felt that, on a doubtful market, we were foolish to risk a loss of clearly £10 a bale. I do not know what has been done in the matter, but if the sale has not been made—and as to this the Prime Minister can inform us—I venture to say that the loss is in the neighbourhood of half-a-million sterling.

There was another matter of which I incidentally heard, namely, a sale to the

Austrian Government of 25,000 to 30,000 bales. The British Government were anxious to supply this wool; they wished to stop the spread of disorder, and to help the Central European countries, and this was their method of giving employment. A difference of opinion arose between the British Government and the Australian Government, not as to the question of supply, I understand, but as to the question of price. The British Government wished the price to be on the basis of the month of issue, which, as I remember, was July of this year. The Prime Minister of Australia, however, wished the price to be fixed on the average of the last six months. To me that was an unheard-of suggestion, with a fluctuating commodity like wool. I do not know whether that sale went through or not; but, if it did not, and the July prices were not taken, there is another loss of about £250,000. These items total about £750,000, half of which affects the Australian grower. It would be interesting to have all the papers concerning these matters laid on the table, so that we might see what happened.

While the Prime Minister was away two years ago, a question arose of the cancellation of a big sale to the United States of America after the war had closed. So far as I remember—and I was then dealing with wool in the absence of the Prime Minister—the Government at Washington asked the British Government to agree to an abandonment of the contract, and the British Government recommended the Australian Government to agree. The Prime Minister, however, objected, and resisted the cancellation. Eventually the British Government did cancel the contract, with the consequence that the undelivered portion was sold at a much better price than the contract price. If that transaction were analyzed, I would not be surprised to learn that the extra profit accruing through the sale, which the Prime Minister tried to prevent, was a couple of millions sterling, half of which, in due course, is coming to Australia.

I must now deal with two other wool matters of grave concern to this country. Before the armistice, but late in 1918, while the Prime Minister was in London, the Central Wool Committee was giving

thought to the question of a post-war Pool. The chairman of the Committee told me that many of the members thought it would take two or three years after the termination of hostilities to organize and stabilize the wool manufacturing industries of the world. With a large prospective carry-over of Australian wool at the close of the contract, the Committee thought it would be advisable, with the consent of the growers, to keep going an organization to bridge the gulf of uncertainty, and to maintain Australian and British supremacy in the wool trade. They were, therefore, considering whether we should attempt to have a still further extension of the wool contract. Those interested in the trade were unanimous, and representations were made to me on the subject; but, to use a popular phrase, the Prime Minister "squashed" the idea by cabling that there was to be no extension. I so informed Sir John Higgins, and there, so far as I know, the matter ended. Of course, we can all be wise after the event; but I venture to say that if the question had received the attention it deserved, the Australian wool position to-day would have been sound and free from anxiety, instead of being in such a critical position.

In my earlier remarks I referred to a meeting which the Prime Minister held in Sydney on the 27th April. I think I ought to say that when the tenor of his speech on that occasion was published in the British press, administrators, wool traders and manufacturers, and bankers commented very unfavorably upon it. It created profound agitation in the trade, and much press criticism followed. The proposals were almost everywhere spoken of as impracticable, and ill-considered, and they were rejected by British wool opinion. That was the atmosphere I encountered in commencing the practical part of my mission in London. Whether the Prime Minister or his critics were right or wrong, I do not even now consider myself competent to judge; but this I do know: that from that day confidence in the Wool Committee appears to have been shattered. The market has been tumbling ever since, and the outlook for both old stock and new clip is, to put it mildly, very black. That may be a coincidence, or it may be the inevitable

operation of cause and effect; but the net result is a loss to Australia of tens of millions of pounds. It is no wonder that the Wool Committee, in its annual report, disclaims all responsibilities for the proposals. I deeply regret that the Prime Minister has so often gone out of his way to flout on technical questions expert opinion which through the war, and since the war, has given such aid to the Government. That is his responsibility, however, and I submit these facts and reflections for the information of the House, bearing, as they do, intimately upon a matter concerning which I was sent abroad.

The Prime Minister implied in his cables and speech that I was a high-handed man, who would not consult Cabinet or accept any directions. In laying the file of correspondence before the House, he omitted several things which prove the exact opposite; and I may say to the honorable member for Yarra (Mr. Tudor) and the honorable member for Franklin (Mr. McWilliams), after noting in *Hansard* their certificates as censors of the correspondence, that I do not blame them. I have no doubt that they were called upon to do their work hastily, and perhaps could not see from my point of view the bearing which such cables had upon my relationships with the Prime Minister (Mr. Hughes); but I propose to read some of those omitted cables, in order to show how anxious I was at every point to consult Cabinet, except in regard to those things concerning which I had been left free and specially commissioned. Let me take first this statement from the file in reference to the Nauru agreement. It is in my cable dated 18th May to the Prime Minister—

Secret. *Re Nauru.*—You are now in possession of Secretary of State's despatch, dated 25th February, referring to purchase price, compensation, &c., to Pacific Phosphate Company. Draft agreement has now been sent to High Commissioner, and it has been perused by him and our lawyer, and by Collins. As you will note, in paragraph seven of Amery's despatch above-mentioned, two important reservations are made by the company (a) in relation to their contract with the Empire Transport Company, and (b) in relation to the right to take, after certain interests are safeguarded, up to a maximum of 100,000 tons phosphate per annum. I think both of these are wrong, particularly the latter; but,

before asking the High Commissioner to sign draft, I think it advisable that Cabinet should consider these new conditions. Three other matters have arisen, but you need not worry about them. The first is that the original Act does not cover Ocean Island—statutory provision could subsequently be made. The second is compensation to company's staff—in all circumstances I think we ought to agree to proposals up to £39,000. The third is mutual agreement, referred to in article 8 of agreement between Governments, dated 2nd July, 1919, which has never been reached. Failing such agreement, contributions of capital will be decided under article 14. As proportion provided for in article 14 appears quite equitable, I think we may consider position on this point satisfactory. Please give early attention to question raised relating to tonnage contract and rights of Pacific Company to take phosphates after transfer of property, and advise me Cabinet's views.

That was consultation of a very useful kind, to prevent an unhappy blunder being made between the two Governments; and on the 21st May the Prime Minister cabled this reply—

Nauru.—Your telegram 18th May, *re* draft agreement and reservations A and B in paragraph No. 7 of Secretary of Colonies' despatch, 25th February; quite agree they are undesirable. I do not understand why they were put in. Try and get them excised. If you fail, it is hardly worth wrecking agreement if we get full market rates for up to 100,000 tons. As to other points, they are not important.

We did fail to get them excised, and finding that we were to get at least the full market rate on the 100,000 tons upon which the company was theoretically entitled to lay its hands, the agreement was accepted. That cablegram shows that I was in an amicable spirit of concord with the Prime Minister in regard to all matters in respect to which consultation was the proper method of procedure. As another instance, let me quote the cablegram I sent regarding the Commonwealth shipping line, which the right honorable gentleman also excised from the file for some reason or other.

Mr. HUGHES.—The excision was done by the Committee. I excised nothing.

Mr. WATT.—I do not wish to impose on the right honorable gentleman any responsibility that he should not properly bear; but from the point of view I am now submitting to the House these communications should have been included in the file to show how far I was in consultation with Cabinet at the time with

regard to these special matters. I wrote in my cable of 21st May—

Re Commonwealth Shipping Line.—Have discussed management with Larkin. He is very upset at inability obtain decisions important matters. At my request, he has furnished memorandum setting forth difficulties of present system. He says, *inter alia*, "That, unless management of line is given full power without further delay, disaster will result at no distant date. If it is not possible to legislate as suggested, I would advocate selling out whole venture while there is yet time." Am convinced that problem calls for your urgent attention.

And the right honorable gentleman replied in his cablegram of 29th May—

Re Larkin.—I do not understand his attitude, and I suggest you inform him that, if he has anything to complain of, he should communicate direct with me. We have just raised his salary to £3,000.

As instructed, I told Mr. Larkin that his business was to communicate direct with the Prime Minister. He replied, "I have been doing that all along, but I thought that now you have come to England I was entitled to speak to you as if you were a visiting Minister with some power." I do not know whether I declined very much in Mr. Larkin's estimation after that conversation, but I had nothing further to do with him. At any rate, British Ministers frequently consulted me about matters that were not on the list of my mission—they always do when Commonwealth Ministers go to London—and I always cabled to the Prime Minister about them. One instance was the appointment of a successor to Sir Ronald Munro Ferguson as Governor-General, but in regard to these matters I was warned off the grass. As I told the Prime Minister in one of my cablegrams to him, I was not permitted to touch subjects which were not included in my list, and in respect of those with which I was sent Home specially to deal I was told that I must await instructions before acting. I said plainly that that was the status given to an inferior official and not to a Minister of State, and I could not accept it.

Let me clear up two other matters which excited comment by the Prime Minister. He complained that he read of my resignation in the press before he received it from me by cable. Of course, I did not know that the right honorable gentleman was on holiday in New South Wales at the time, but I despatched my cablegram to him a full twenty-four hours before I

spoke to the press. At that time Government messages were easily racing press messages to Australia. My late private secretary, who is now private secretary to the present Treasurer (Sir Joseph Cook) can testify to the truth of that. Here is the other matter: In my cablegram of 27th May I told the Prime Minister that his fatal cable to the Secretary of State in regard to wool "was not the same in form or manner of presentation" as he had advised me. Deliberately, or unwittingly, he distorted my statement, and said in the House that I had complained that the two were different in substance. He professed amazement at my assertions, and said that he had shown the two cables to the honorable member for Yarra (Mr. Tudor) and the honorable member for Franklin (Mr. McWilliams), who could see no difference between the two.

Mr. HUGHES.—They were shown the right honorable member's statement.

Mr. WATT.—But in order to judge whether the statement was true they should have seen the other two cablegrams.

Mr. HUGHES.—They saw them.

Mr. WATT.—Then I do not understand how they could regard the two cables as being the same. The Prime Minister's cable to me indicated that he placed first the scheme relating to the new clip, and that he had put his views concerning old wool accounts as a kind of postscript or afterthought, whereas his cablegram to Lord Milner started with a straight demand about the old wool accounts and moneys. There was no *bonâ fide* reason why the Prime Minister should not have sent me an exact copy of the cable he sent to Lord Milner. The fact that he did not indicates that he thought he had better camouflage his message. He knew he was doing me an injustice, and he tried to hide it as much as he could. This was an occurrence, not important in itself, but ugly and significant when surrounded by its context. It is another example of the Prime Minister's unpardonable lack of frankness, even with a colleague. There are some kindly members of the Government, and, I understand, also private members of the party, who cannot understand a man resigning office. Such a step is so foreign to their habits or natures that they are baffled when another takes it. In their bewilderment they are driven to search

for all sorts of mysterious explanations. Sometimes such an action is ascribed to mental aberration. In any case, I believe it has been charitably attributed to shattered health. The rumour has been sedulously whispered abroad, "Poor fellow; he is not himself; he has broken down." To these gentlemen, I would say that I am conscious of their fraternal consideration, but they are the victims of an unfortunate delusion. I had not been very well before I left for England, and I deemed it prudent to get medical consent to the work which I proposed to undertake. During the voyage—which was a long one, because I travelled on a captured German vessel—my health rapidly improved, and I arrived in Europe full of mental vigour. Some of those who were brought into official contact with me would be inclined to confirm that description of my condition. I say these things because I wish members to dismiss from their minds the suggestion that Mr. Hughes exchanged cables with a petulant and impulsive invalid. Whether they approve of my conduct or not, I ask them to accept my assurance that I was in possession of whatever faculties the Almighty has lent me, and that I determined on my course after the fullest consideration of all the circumstances, national and personal. As I reflected on the Prime Minister's tactics in his handling of me, my memory recalled an incident of some interest. When Mr. Hughes returned home from the Peace Conference, we stage-managed, you will remember, a series of welcomes to him, from Fremantle eastward.

Mr. TUDOR.—We said on every platform that those welcomes were stage-managed.

Mr. WATT.—The gatherings culminated with a meeting in Melbourne, at which I was seated with the Prime Minister on a dais. Towards the close of his speech at this reception by the Lord Mayor, the right honorable gentleman recounted my services to Australia during his absence, and dwelt eloquently on my fidelity and loyalty to the National party and to him. He concluded by turning to me with what the audience and I mistook for spontaneity and sincerity, and warmly wringing my hand, said, "For what he has done, he has earned my undying friendship." In less than a year that friendship was dead,

and he had vilified me in this House in my absence as a man who had deserted his country and left it stricken and helpless. If that be a tribute of friendship, to loyalty and sustained assistance, may God save me from any further exhibition of such friendship! I have reflected mournfully upon the motives that impelled the Prime Minister along the path he trod. Although I believed from the first in the conjunction of the parties led by Sir Joseph Cook and Mr. Hughes, I did not desire, as the right honorable gentleman knows, to join the National Administration when it was formed. I again resisted inclusion in the new Government after the resignation of the old one at the close of the second conscription campaign. As I have explained, and as I shall have occasion to do again in a moment, I wished to withdraw from office when my health declined. During the time that I was a member of the Government, I gave of the best that was in me, and my consciousness of loyalty and of work tolerably well done is perfectly clear. In some of the Polynesian islands, a man suffers death if he treads on a king's shadow, and I suppose that, in some thoughtless moment, I must have committed that crime. Such speculation, although interesting, is fruitless, and I am not going to explore further the dark question of the Prime Minister's motives, whatever they may have been. I leave them to his own conscience, and to the more discerning brains of others to unravel.

For some reason, which to me is inscrutable, but, I assume, to discredit me, Mr. Hughes told the House that I had resigned three times from the Ministry since his return from England. Let me give the facts. While he was away, I was strongly urged by medical authority to retire from office, and that advice was accompanied, as he knows, by the requests of many relatives and friends. It was conveyed to him by cablegram, and he urged me to hold on until his return. I had fully intended to keep going until he came back, and I told him so. In our conversation, as we came east from Fremantle, I asked him to give me early relief from office. I did not resign. He urged me to remain with him until after the election which was then looming. Wishing to help him, I consented, and we worked on together. In

September he made a speech in Sydney which re-opened a rankling sore in our relations. He had never forgiven the Government or myself for extending the wool contract while he was away, and, in that speech he reflected so seriously on his colleagues in regard to that action, that I sent to him the following letter of resignation—

22nd September, 1919.

My dear Prime Minister,

I take the earliest opportunity on my return from the country of addressing you upon a matter which has caused me much surprise and concern. The *Argus* of the 17th instant reports you as having said to the Farmers and Settlers Association in Sydney—

"He could have sold more wheat and at a better price if it had not been that the Australian wool clip had been sold while he was on the water. That took away the strongest weapon in his armoury. In wheat they had competitors, but, in regard to wool, Australia was 'it.' If the wool had not been sold when it was, Australia would have been in a better position."

If that is a correct report, and I assume it is, as it has not been contradicted, but rather confirmed by your reply to a question in the House later in the week, to my mind it involves a grave breach of Cabinet etiquette and principle.

It will be within your recollection that on several occasions while you were representing Australia in London and Paris after the cessation of hostilities, I expressed by cable disapproval of some of your published utterances; but, in my anxiety to preserve the unity of the Cabinet, I studiously refrained from announcing such differences. On the contrary, when questioned in Parliament and elsewhere as to whether the Government was bound by certain of your speeches on critical questions, I unhesitatingly said that the Government accepted full responsibility for the views of the Prime Minister.

You, apparently, consider it permissible, without consultation, to take the other course. In my opinion, your action in so doing constitutes the most dangerous infraction of Cabinet solidarity.

I have always believed this principle to be absolutely essential to the maintenance of responsible Government when the Cabinet represented a homogeneous party; and I consider that its jealous observance is even more necessary in the present case when Ministers speak for a composite party.

Your statement disclaims responsibility for, and virtually repudiates, one of the most important acts of administration performed by your colleagues during your absence from Australia, and your open condemnation of it places them in a very invidious position. I do not know how they view the situation, but, as the one who bears, and cheerfully accepts, the prime responsibility for the transaction under review, I feel that my position is quite untenable.

As to the merits of the wool contract question, inquiry will elicit the fact that the vast bulk of enlightened judgment cordially approved the sale. It was hailed on all sides as a highly advantageous business deal, and I can recall no act of Government during the war period which received such unanimous sanction. It stimulated rural production and stabilized public and private finance at the most perilous point in our history, as competent judges will testify. In view of the widespread satisfaction expressed at the extension of the contract and the acknowledged benefits it conferred, there appears to be something sinister in your having gone out of your way to pronounce so strongly against it.

Your remarks suggest that, had the further sale not been made while you were on the water, you could have made better sales of other Australian products. I am, of course, not qualified to say whether that is, or is not, probable; but, if that opinion implies that, by accepting worse conditions for wool, you could have obtained better conditions for wheat or metals, then I say frankly I could not stand for such procedure. If every producer of our staple commodities was, or is, entitled to relative world parity for his goods, there was, and is, surely no justification for asking the one man to take less for his wool in order that another should get more for his wheat, &c.

Considerations surrounding the merits of the wool question, however, while thoroughly relevant, are not the most material things at issue between us. The main and vital point is that of Cabinet solidarity. This has been destroyed by your unexpected remarks on the occasion referred to, and while anxious, as I have ever been, to avoid embarrassment to the National party, or yourself as its leader, I feel that the only course open to me is to retire from the Government.

It would, perhaps, be scarcely fair to you, or to my colleagues, who may consider that they share responsibility for the situation I have endeavoured to describe, to summarily resign without discussion of it in Cabinet.

If an opportunity for such discussion is afforded before the House meets, I am prepared to withhold my resignation, but, if not, I shall be reluctantly compelled to ask you to relieve me from office without further delay.

I shall, in the circumstances, not attend Cabinet to-day.

With unaltered personal regard,

Believe me to remain,

Yours sincerely,

(Sgd.) W. A. WATT.

A special Cabinet meeting was called, and we discussed the matter, the Prime Minister saying that he would put things right at the Melbourne Show. He made another speech there, but it did not put things right, and, on the 24th September, I wrote this letter—

Melbourne, 24th September, 1919.

My Dear Prime Minister,

I am glad that you have put the Central Wool Committee and its chairman in the

Mr. Watt.

right light before the public in your speech at the Show yesterday.

I am sorry, however, that you did not act similarly with regard to your colleagues, as you expressed your intention of doing at Cabinet on Monday. I cannot fathom the reason, although I suppose you have one satisfactory to yourself.

Since I wrote you on Monday, I have read the report of your Sydney speech in the *Morning Herald* and *Daily Telegraph*, and they are much more objectionable than the Melbourne extract I quoted. Both these papers report you as saying that the last wool sale was conducted behind your back.

An apology to, and eulogium of, the Wool Committee cannot undo the evil effects of such a statement. The Government, and not the Committee, sold the wool; and, as the Minister who made the recommendation to Cabinet, I cannot submit in silence to such an unwarranted attack.

I have informed you on several occasions that my medical adviser has for some months insisted on my early withdrawal from Ministerial work; but, in response to your earnest appeal, I have continued in office, and was prepared to go on so long as my health permitted.

Your latest utterances, however, render it impossible for me to longer remain a member of the Government, and I now desire to resign my position as Treasurer of the Commonwealth.

Will you be good enough to tender my resignation to His Excellency the Governor-General?

Yours faithfully,

(Sgd.) W. A. WATT.

The Prime Minister had another Cabinet meeting, and, subsequent thereto, made certain statements to the press. He said that he was greatly surprised that the newspapers had taken his comments in the way in which they had done, and, indeed, that anybody had misconstrued his remarks. He added that he had never meant to imply anything against his colleagues; and, generally, he apologized. That occurred on 25th September, and the resignation was withdrawn. The Prime Minister, by reference to such matters, sought to create the impression that I was an impossible colleague, always tossing down my job. The facts prove that I was not anxious to remain in office, but that I yielded every time to his strong personal appeals, and, probably against my best interests, cheerfully co-operated with him in his tasks. My stand was right, and was based on high public principle. He evidently recognised that, because he amended his attitude and withdrew. But this is another example of a wicked

attempt to damn me in my absence—an example which, in a community of decent people, ought to react against its author. The incident would have passed into the limbo of things forgotten. Indeed, it had passed, and would have reposed there but for my right honorable friend's somewhat tasty resurrection of it. After the general elections in December of last year I reminded Mr. Hughes of our understanding, when he again urged me to continue in the Government at least until the session had got fairly going; and I consented. Shortly after, this trip was invented for me, and I was sent abroad, there to be discredited, which, doubtless, suited the Prime Minister's ambitious schemes better than my quiet withdrawal from office. The Prime Minister stated that I had resigned twice in writing in one year. I have no recollection of any resignation other than that which I have read. But the extraordinary and welcome popularity of my former private secretaries with present Ministers makes it difficult for me to refresh my memory. One of these officers to whom I refer left Australia for Geneva, in company with Senator E. D. Millen, only a few days before I landed in Australia; and my last secretary—I am very pleased to note—has been adopted by my successor at the Treasury. If, however, the Prime Minister has any other resignation among his papers he is at liberty to table it as I have tabled this.

I have detained the House for a great length of time, and I wish very briefly to close. I desire first to thank the Leader of the Labour Opposition, the honorable member for Yarra (Mr. Tudor), for the honorable way in which he observed the pair which I had arranged with him before leaving Australia; and I desire, also, to thank my old friend of thirty years' standing, who is not here to-day—I refer to the honorable member for Bourke (Mr. Anstey)—for the cheerful manner in which he co-operated in the operation of that pair. I thank my friend, the honorable member for Koo-yong (Sir Robert Best) in that, although a heavily laden man himself, he so well attended to the work of my constituency. And, having said these things, I have said all that I wish, at this stage, to say. If it should be necessary to speak again I shall do so.

Honorable members may have been asking themselves whether I am going to

declare my attitude towards the Government. I do not think that, under cover of a motion for the suspension of certain of our Standing Orders, the occasion should be regarded as appropriate for me to do so. But, at an early stage, when opportunity offers, I shall make my attitude in that respect perfectly plain. Now I tender to honorable members my thanks for the splendid hearing which they have accorded me to-day. I have outlined the facts concerning my resignation as a Minister, frankly, and as I see them; and I leave the whole matter to the judgment of the people, whose servant I have been for twenty-three years.

Mr. HUGHES (Bendigo—Prime Minister and Attorney-General) [4.56].—The honorable gentleman who has just resumed his seat has made a very long speech. He has had the fullest opportunity to set out all those circumstances that he can urge by way of extenuation or explanation why he abandoned his post as the representative of the Commonwealth, leaving problems which, as he said, related to matters of "life and death" unsettled. We have heard him, patiently, and I put this question to my fellow citizens: What man who had a good case would have made such a speech? The situation is quite simple. The honorable gentleman is no novice in politics. He has had very long experience. He went from this country charged with matters of grave import. He abandoned his position. He resigned his office. He has introduced a hundred new reasons for his action; but the reasons which he gave in the cablegram announcing his resignation are the reasons by which he must stand. I am not going to follow the honorable member along that path which he has elected to tread in his personal attack upon me. I am as well able as any one both to make and to receive personal attacks; but I am content to appeal to the facts.

Mr. LAVELLE.—That will be something new.

Mr. DEPUTY SPEAKER (Hon. J. M. Chanter).—Order! The honorable member will please withdraw that remark.

Mr. LAVELLE.—I withdraw.

Mr. HUGHES.—Let me remind honorable members what those facts are. The

honorable gentleman was a colleague of mine, and he was selected by the Government to undertake a mission which he himself had declared to be fraught with matters of "life and death" to Australia. He went from this country under favorable auspices. He reached England. He entered upon his task, and then, almost at the very outset, abandoned it. He has sought to make it appear that sinister influences were at work, that a conspiracy was on foot, to prevent his mission becoming a success. But the facts speak for themselves. The honorable gentleman went to England to deal primarily with finance. He went to grapple with the question of wool profits, with mandates, with the war indemnity, trade representation, and immigration. All these things were intrusted to the honorable gentleman. They were matters of very great importance. How has he dealt with them? He has left all of them undone! This is not the first time he has been to England, nor is this the first time he has returned in circumstances which have called for a good deal of explanation. He was ill-natured enough to make some references to my own return. He will at least admit that when I returned to Australia there was no need for me to make any explanation as to why I had returned, nor upon the manner in which I had done the work I was sent to do. The circumstances spoke for themselves. I was sent to represent the Commonwealth, and I remained until my mission was completed. The honorable gentleman has endeavoured to camouflage the circumstances surrounding his resignation, but they are abundantly clear. He was intrusted with, perhaps, the most important mission—outside of that which my right honorable colleague, the Treasurer (Sir Joseph Cook), and I had undertaken during the war—which has ever been given to any man as an emissary from the Commonwealth. He has been away from the Commonwealth for seven months, and, of that time, to the consideration of these "matters of life and death" he has devoted three weeks! How does he explain all this? He says that some act of mine prevented him, when he was on the very threshold of success, from bringing his mission to a satisfactory conclusion. What did I do? I sent a telegram to

the Secretary of State. The message to which he refers was despatched on 20th May. It deals with two things—first, with the payment of the half-profits on the wool sold to Britain; and, secondly, with the sale of the 1920-21 clip. The right honorable gentleman says I ought not to have sent this telegram. But why? It was a very proper telegram to send. He says the copy I sent to him is different from that sent to the Secretary of State. That is not true. The circumstances under which the telegram was sent may be stated. The Australian wool-growers—the men who, after all, were the most deeply concerned, both with the sale of that clip and with the distribution of profits on the old clips—had a conference, and then waited on me and asked me to send this cablegram. The joint council of the wool-growers drafted the message, and it was sent at their request. I make no apology for sending it; it was my duty to do so. The suggestion of the honorable gentleman that I ought to have stayed my hand, that the full weight of the Australian Government was not to be behind him, and behind the growers, in support of their demand for payment of their money, is monstrous, and not for one moment to be seriously considered. Had I failed to ask the British Government for the payment of the half-profits, would I not have laid myself open to the charge that I had left my colleague without support while on a mission of "life and death"?

The right honorable member has said many things. He has endeavoured to make it appear that his resignation was due to the sending of the cablegram to which he referred; that it was because of something inherently evil in myself; that I am a different man from what I was when he left here; that his colleagues are different; that the need for the Commonwealth being effectively represented in these matters of life and death is less now than when he went away. These excuses will not bear a moment's examination. We are the same men; its financial needs are now as great as, or even greater than, when my right honorable friend went away. He does not seem to understand why it is that people censure him for resigning when and as he did. Despite his opening remarks, he seems to

think that, in some way, this is a personal dispute between himself and me. But an infinitely more serious matter is involved. As I said when I had the honour of addressing the House in regard to this matter on a previous occasion, the circumstances which would justify a Minister resigning his portfolio in Australia would be quite insufficient to justify his resignation when, 12,000 miles away, he stood as the representative of this Commonwealth, and stood where he could not be replaced. The position is analogous to that of a soldier in peace and war. What is permissible in time of peace is not permissible in time of war.

The right honorable member has shown in the clearest way that I did everything I could do, both while he was here and when he was away, to retain him as a colleague. He has shown that I made both public and private apologies to him. He has shown that I used every means at my disposal to induce him to remain as a colleague when he resigned here on a former occasion, and if honorable members will look at the cable correspondence, they will see that I was not less assiduous in my efforts to retain him as a colleague, despite his determination to resign, on this occasion. If he resigned, upon him rests the whole responsibility, and his colleagues do not share it, for, as the cables show clearly, everything was done to induce him to remain a member of the Government. But the right honorable member does not seem to recognise that, even if he had right on his side—even if I interfered, and, as he said, meddled with his business—he still ought not to have resigned. His business was to remain in London to do the work he was sent to do, and then, on coming back, his position, if he should then have assailed me, would have been very different from what it is this afternoon.

What are we to think of the right honorable member who, going away from this country seven months ago, returns in the most leisurely way, after devoting of those seven months only three weeks to the service of his country, and assumes that his fellow-citizens will accept abuse of myself as sufficient explanation for his failure to do that which he himself declared was a matter of "life and death?" He contemptuously brushes aside every effort made by me on

behalf of his colleagues to induce him to remain. Coming back now, at the end of seven months, he says, "I was on the threshold of success. Had I been allowed to continue a little longer, my efforts would have been crowned with success. Yet I resigned because the Prime Minister sent Home a certain cablegram." That is his own version of this unhappy business. Does he seriously expect any one to accept such an explanation? I put it to any man whether it is a satisfactory explanation for his resignation. I invite honorable members to recollect that, when the right honorable member complained, I dealt with and remedied all the matters about which he complained in the fullest possible way.

He has spoken of my failure to notify his appointment to the Imperial Cabinet. Almost in the same breath, he has said that there were no meetings of the Imperial Cabinet whilst he was in London. Surely, then, this was not a sufficient reason for his resignation. I did not notify the British Government that he was to attend meetings of the Imperial Cabinet before he arrived in London, because I did not know there were to be any; but directly he called my attention to it, although, as he has said, there were no Cabinet meetings, I rectified my omission, and he was duly accredited. But I had notified the Imperial Government long before that the right honorable member was going Home to discuss matters of finance. That was the important duty he went Home to discharge, and of that the British Government was notified. And, as I have said, as soon as the right honorable member complained that the British Government had not been advised that he was to attend meetings of the Imperial Cabinet I rectified the omission. I was sorry, and, I say again, I am sorry, that I did not send word sooner. But surely this was not sufficient to justify his resignation, for it had nothing whatever to do with his mission. As I said in my message to him—

This I regret, but could not foresee the circumstances. I regret if you have been embarrassed, but I think I have put this matter in order, and you will have no further complaints.

He complained that I had not sent him copies of cables to the Secretary of State. I immediately cabled him as follows:—

As requested, I am asking Secretary of State to supply you with copies of all cables both ways. I was under the impression that this had already been done, but find it was limited, through an office misconception, to cables relating to Brussels Conference.

At the end of my long telegram, which covered all points raised by the honorable gentleman, and to which I refer honorable members, I said—

Now for a final word. I have endeavoured to cover the points raised in your cable and put matter quite clearly. I understand, I think, just how you feel, and I want to assure you that you have no reason whatever for the belief that anything is being done, or will be done, at this end to impede your mission. On the other hand, everything will be done, whether by silence or action, at your request, to further it. We want you to succeed. We both have the same object in view, viz. the welfare of Australia. I want to do everything I can to help or support you. If it appears to you otherwise, I ask you to accept my assurance that you are absolutely mistaken.

I ask honorable members what more could I have said? Who could have taken exception to being addressed in such terms? As I said before, had any man addressed me so, I would have put all ill-feeling aside and gone on with my work.

The honorable member standing in his place to-day was quite unable to take exception to the tone of these cable messages. But he has stated quite positively that behind this camouflage of tone there was a deliberate purpose on the part of myself and the Government to impede his mission and to damage Australia. I am sorry that the right honorable gentleman could not have dealt with this matter on its merits. He has said that we have endeavoured to explain his resignation on the ground of ill-health. The right honorable member resents that explanation. He says, "I was never better." In my cable message of 2nd June I said, "I understand just how a highly-strung man feels in the most difficult environment in the world—London." He cabled back that I was quite wrong in thinking he was ill. "I am quite well," he said.

Why, then, did he resign? Is it suggested for one moment that a difference of opinion of such a nature as is disclosed by the cables is sufficient to justify his resignation? Does the right honorable member say that the functions of the Go-

vernment in Australia are to be entirely suspended when he leaves this country? He has sought to draw a subtle distinction between his absence from this country and that of any one else. He has said in effect, "When the Prime Minister and Sir Joseph Cook went away they were not charged with any specific mission. They were dealing with matters at large." He has said in effect to me, "Although you are the man who originated the Wool Pool, although you had complete control of these wool matters as the Minister in charge before you went away, the moment you left you were not even entitled to be consulted in relation to these matters which you originated, and which concern your Department. And so, although I took this extraordinary step of selling the wool clip of the country while you were on the water, I did not notify you, let alone consult you." All that, he says, is quite proper. But it was most improper, he says, for me not to have consulted him in regard to the sale of the 1920-1921 clip, with which he had nothing whatever to do. It was not a part of his mission, and he had nothing to do with it. He was asked only to expedite the payment of the half profits on the old clips.

The right honorable member has covered such a wide field that it is impossible for me to follow him. Nor is it necessary, since, apart from his personal references to myself, he has said nothing that throws fresh light on his resignation. He has been back in Australia for the last week or ten days, and although this Parliament and the country was denied an explanation from him for months, he has kept the Parliament waiting while he has prepared this oration. He comes here seeking by a cloud of words to hide that which cannot be hidden, to explain away that which cannot be explained. How does the right honorable member attempt to explain why he resigned his position as a representative of the Commonwealth? He begins by endeavouring to make me responsible for an article which appeared in a paper called *Punch*. There would be something humorous in this if it were not so serious. He says that this paper was lately bought by Mr. F. W. Hughes. Why did he make that statement? He made it, I believe, because he thinks that by so doing he will be able to cast enough dirt at me to lead people to no longer ask themselves, "Why

did Watt resign his position in London?" but to inquire, "What is there between F. W. Hughes and the Prime Minister? What is their relationship?" That is not a very manly thing to do. I wish to remind him that, before he went away, he was mainly responsible for the drawing up of the new wool-tops agreement made between the Government and F. W. Hughes and Company. I say nothing at all about *Punch*, for it has nothing whatever to do with Mr. Watt's resignation; but I could retort very easily. If there is a paper in this State that is not for the honorable gentleman, but is for me, I should like to hear of it. It is perfectly true that Mr. F. W. Hughes is a friend of mine. I pick my friends where I please; I have always done so, and I always shall. But the honorable member has a very great friend in Mr. Baillieu, and he has a great friend in Mr. Fink, and Mr. Fink and Mr. Baillieu own the *Herald*. Why did the honorable gentleman not mention this fact also? It would have been quite as relevant. That sort of thing is unworthy of the honorable gentleman, and shows the poverty of his case. He set out, as I say, to explain away what cannot be explained; and I should like to put the matter quite clearly. Why did the honorable member resign? Here in my hand are the conditions on which he said he would consent to carry out that mission relating to "matters of life and death." Here is the ultimatum he delivered to the Government. I ask every man in the House to place himself where we were. Would any honorable member have meekly accepted this ultimatum, which demanded the complete surrender to the honorable gentleman of all the powers of the Government over these most important matters? If any honorable member answers "Yes," he must be for the honorable gentleman; if not, he must be against him. This is what the honorable gentleman demanded that we should do—

If you want me to do good work here, you must leave matters confided to my care entirely in my hands, and trust my judgment as to whether I should consult you or decide them here.

You must also request Secretary of State to send me copies of all cable correspondence both ways about other matters. If you are not

prepared to do this, kindly say so at once, and I will take the course I think necessary and proper.

WATT.

These were the terms of the honorable member's ultimatum. I need not ask honorable members opposite whether they would give to any single man such power as the honorable gentleman asked, for I know what their answer would be. I am content to put that question to any man in any section of this House, or to any of my fellow-citizens throughout Australia. What is it that my honorable friend desired? He desired that the Government, while taking the responsibility—for he does not deny that we should be responsible for every act of his—should hand over to him all power. He demanded that we should not even have the right to be consulted—that we should leave it to him to decide whether or not we should be consulted. The principle to which the right honorable gentleman wished to commit us is a principle that abrogates the very basis of responsible Cabinet government. The honorable gentleman has set out reasons for his resignation, and he has amplified those reasons, and, as I have said, they speak for themselves and condemn him. In reference to the Spa Conference he demanded that he should not, as he said, have the mind of a plenipotentiary with the "status of a telegraph messenger." Then he goes out of his way to explain that he was not a delegate to the Spa Conference. The honorable gentleman was a delegate or plenipotentiary—let him call it what he will—to the extent that Mr. Lloyd George had requested one. I shall read Mr. Lloyd George's cablegram—

In opinion of British Government, therefore, only practical method is to reconstitute in some form British Empire delegation and that Dominions should accredit plenipotentiary in London to represent their views and watch over their interests during discussions.

He refers to the discussions at the Spa Conference. I cabled to Mr. Watt—

Lloyd George asks whether I agreed to this course, and adds that this should present no difficulty in view of your presence in England. I am informing him that I agree, and that you will be Australia's plenipotentiary.

I said—

Do not agree to any amendment of Treaty affecting Australia, either indemnity, islands, economic or financial clauses, without consulting me.

Well, I do not apologize for laying down this condition. Before I, in my responsible position, could give to any man, I do not care who he may be, the right to commit this country in regard to matters of life and death, surely it was proper to insist that the Government had, at least, a right to be consulted before action was taken! The honorable gentleman takes exception to that view. But he says that if we had not called him a "plenipotentiary" it would not have mattered. What is the use of beating the air about words? The honorable gentleman went home clothed with the fullest authority that is given to Ministers. But that did not satisfy him. He insisted upon greater authority than it is possible, under responsible government, to give a Minister who represents his Government abroad. What would have been the honorable gentleman's position if he had been here? How are decisions arrived at in Cabinet? By a majority. Does the honorable gentleman suggest that on all occasions he had his way? Not at all; I am sure he had not. None of us do. Cabinet Government is a matter of give and take. The same principle applies in party meetings, and, indeed, in society generally. But the honorable gentleman says, "When I leave Australia, you must leave everything to me." Matters of finance, which go to the very root of the structure of government, are to be left to him, and he is to decide whether or not he consults his Government. That, in plain terms, is what he insisted upon. And because we could not agree to surrender all our authority to him and become mere automata, he resigned. If the honorable gentleman had been given the free hand he claimed, and I had been asked in this House what he had done in regard to any loan which the honorable gentleman was raising abroad, I should have been compelled to say that I did not know—that he had not consulted the Government. What would be said of a Government which confessed that it knew nothing at all of financial commitments amounting to millions, or loans involving the credit of the community? It only requires to put the position in plain language to show that the honorable gentleman has taken up a position which is incompatible with responsible government.

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The honorable gentleman sought to make it appear that while as a general principle, to quote his own words, "the Government functions where it lives," it is different when certain definite matters are intrusted to Ministers; in such case, the Government must leave the matters to its representatives. With certain reservations, every one can agree with that position. For instance, if I said to the honorable gentleman, "Go Home and borrow £20,000,000 on the best terms you can, and let us know, before you finally complete negotiations, what the terms are," I should say that then the negotiations were within the honorable gentleman's own hands, subject to the reservation I have made. But the position was quite different in this particular case. The honorable gentleman was charged with many things. In regard to finance his mission was at large to a very great extent; and he was asked to disentangle a most complex financial position. The honorable gentleman takes exception to my communication with the Secretary of State on a matter which was connected with his mission. He says it prevented his mission being a success; that it justified his resignation. Does he expect the House and the country to believe this? How many times did the honorable gentleman communicate with the British Government in regard to matters within the scope of the mission with which I was intrusted? But the honorable gentleman said that the mission of the Treasurer (Sir Joseph Cook) and myself was at large. That is not so. When I left this country I was asked to sell its products; to look after the interests of our soldiers; to see that the interests of this country were safeguarded—to do all things possible to assure the welfare of the Commonwealth. If any one tells me that when I left Australia I had surrendered my right as a Minister to be consulted in regard to the sale of the wool clip of Australia, I shall utterly deny it. The honorable gentleman ought to have consulted me. The matter was one of first magnitude. It bore directly on my mission. It was a matter in which I had taken the keenest interest, and on which I had very definite views. He had ample opportunity to consult me. He

did not do so. Not only did he not consult me, but he did not even notify me, and I learnt the facts through the press of England, and in a casual way from a remark of the Secretary of State. Yet, not only did I not resign, I did not even complain, although I felt it very keenly. The honorable gentleman has said that no restrictions were placed upon the Treasurer and myself in regard to Peace matters, while every restriction was placed on him. The cables tell a very different story. He refers to the cable sent to the Secretary of State by me: He says it ought not to have been sent. I do not agree with him. What was this cable? It dealt, as I have said, with the sale of the new clip and with payment of our share of profits of the wool sold to Britain. Let me remind the honorable gentleman that he took no exception whatever to the proposal in that telegram for the sale of the new clip. While he thought it might be difficult to get a suspension of sales for the length of time then suggested, he did not think it impossible to arrive at a working compromise with the British Government. That was the essence of the scheme for the sale of the new wool clip. The honorable gentleman speaks of his negotiations for the payment of half-profits. How did my cablegram affect these? Does he say that because I supported his argument for payment, his mission was rendered futile? As to his mission, he does not deny that the sale of the new wool clip had nothing to do with it.

Mr. WATT.—I have said that.

Mr. HUGHES.—As to the wool half-profits, the honorable gentleman has led the House and the country to believe that he was baulked on the very threshold of triumphant success. He is not the man we know him to be if he would draw back when success was so near, for in what more effective way could he have silenced me, and all those who he says attempted to belittle him, than by returning to Australia as a successful envoy? He cannot deny that I did everything possible to induce him to remain in the Government. Nor, on the other hand, can he deny that he did everything in his power to make that impossible. Was this the action of a man who was on

the verge of success? Was it that of a man honestly desirous of remaining in the Government? Was my attitude that of a man who desired to remove the honorable gentleman from the Government? I ask honorable members and my fellow citizens to remember that the right honorable gentleman took a step without precedent, as far as I am aware, in the history of responsible government, and certainly in the history of the Commonwealth. On the heels of his resignation—he says twenty-four hours elapsed—he communicated his intention to the press, in which I first read of it. Not satisfied with that, when I requested that he should give me an opportunity to meet my colleagues, who were scattered all over Australia, he contemptuously referred to the Cabinet, of which he was still technically a member, saying, “What does it matter to me when the Cabinet meets; I am no longer a member.” Had the honorable member been so near success as he would have us believe, does any man think that in the face of the cable I sent to him, in which I implored him to remain in the Government, and stated the matter in such a way that no man who did not want a row could have resisted the invitation, he would have resigned? The honorable member said that he was within a hand’s touch of success. Well, I offered him, on behalf of the Government, an opportunity to achieve success. He told us that he delivered an ultimatum to his colleagues, setting out in detail the complaints against us. Let me remind the House of how far we were prepared to go to meet him. I quote from my cablegram of 2nd June, to which I refer honorable members—

You say I have interfered with you and embarrassed you. Cabinet has looked most carefully through all the cables which have passed between you and me, and into those between British authorities and Commonwealth since your departure, and has considered my actions here in all their bearings, and, as I have said, they do not think your complaints justified.

What more could I have done than this? What man who was on the threshold of success who wished to serve his country would have resigned in the face of such a cablegram?

Referring to his complaint that I had communicated with the Secretary of State *re* half-profits, I said—

I am sorry if you think I ought to have left you without any support. . . . However,

I quite see your point, and shall not send any further wires in reference to half-profits except to you. . . . Believe me I shall not embarrass you, but will do everything to help you and keep you informed. I shall not communicate direct with the Secretary of State re wool half-profits or finance except at your request. *Re* failure to notify your appointment as representative on Imperial Cabinet: As it was not contemplated when you departed that formal meetings of Imperial Cabinet would take place, sufficient notification of your authority to sit did not precede your arrival. This I regret, but I could not foresee the circumstances. I regret if you have been embarrassed, but I think I have put this matter in order and you will have no further complaints. As requested, I am asking Secretary of State to supply you with copies of cables both ways. I was under the impression this had been already done, but find it was limited, through office misconception, to cables relating to Brussels Conference. Now for a final word. I have endeavoured to cover the points raised in your cable, and put matter quite clearly. I understand, I think, just how you feel, and I want to assure you that you have no reason whatever for the belief that anything is being done, or will be done, at this end to impede your mission. On the other hand, everything will be done, whether by silence or action at your request, to further it. We want you to succeed. We both have the same object in view, viz., the welfare of Australia. I want to do everything I can to help or support you; if it appears to you otherwise, I ask you to accept my assurance that you are absolutely mistaken.

In regard to the half-profits on wool sales, the right honorable gentleman said that he was within an ace of securing those things which would have made such a tremendous difference to this country, but he drew back because of the cable I sent to the Secretary of State for the Colonies. Because of that cable, he would not remain a member of the Government, and, by so doing, enable his country to reap untold advantages. He would not reach his hand out to get for the pastoralists those millions of pounds which were within reach. We know the honorable gentleman too well, and we know human nature too well, to believe that statement for a moment. The honorable member asks us to believe that he resigned from the Government because we prevented him from doing that which he had been sent to England to do. The cable messages speak for themselves; I invite my fellow citizens to look carefully through them, and then say in what way it would have been possible to do more than the Government did to retain the

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services of the honorable member. In my cable of 2nd June, I said—

“ . . . However, I quite see your point and shall not send any further wires in reference to payment of half-profits except to you. . . . ”

What more could we have done? Are we to be censured because we stood fast on the principle that we must be consulted before we were committed on great questions of policy? I do not think that one honorable member will take that view, because this House is most jealous of its rights, and is continually urging the Government to consult it. How much more have the Government the right to insist that no one of its members shall act without affording Cabinet an opportunity to express its opinion? The right honorable member said that we must leave it to him to decide whether or not we were to be consulted. He has made it perfectly clear that, for some reason, he had determined to resign. He has alluded to a previous occasion on which he and I differed in regard to the sale of wool. He sent me a letter which honorable members have heard read; it was not a letter which I would have sent to any man; and he said that I should apologize for the remarks to which he took exception. I did apologize, but it never seems to have occurred to him that the tone of his writings, as well as his utterances, is usually such as to demand an apology, not from others, but from himself. Apparently, the honorable member goes through life quite satisfied that he is a model on which we should pattern ourselves.

Mr. WATT.—This is very funny, coming from you.

Mr. HUGHES.—The honorable member does not deny that I have apologized to him several times.

Mr. WATT.—And I think I have done the same to the Prime Minister.

Mr. HUGHES.—The honorable member has never apologized to anybody, so far as I am aware. I was his colleague for some time, and, as he knows, I have had to interfere in his behalf in Cabinet, and always as his protector.

Mr. WATT.—I have done the same for you.

Mr. HUGHES.—Perhaps the honorable member has forgotten these incidents. He suggested that he did not interfere with the Treasurer (Sir Joseph

Cook) and me when we were in Europe. I am afraid the honorable member could not have remembered some of the cables he sent to me, or he would not have made that statement. I arrived in England in June, 1918, and I cabled to the honorable member as follows:—

I have received no cables from you since my departure from America, except one *re* glycerine and tallow. Shall be glad to be kept closely in touch with Government action and policy. Most embarrassing to learn of things done by Government through columns of English press.

I suggest, in order that we may be able to represent Australia effectively, all important decisions of Cabinet be communicated to me before action is taken unless subject matter is such as precludes delay; that copies all cables to and from Colonial Office be sent me, and that no action be taken on matters that gravitate around this end until we have opportunity of advising you.

This is the right honorable gentleman's reply—

Your cablegram 21st received. I did not cable you while you were on the water, but awaited news of your landing England. . . . I will see that you are kept posted on essential matters that may affect your representation in England.

Surely you can get copies of cablegrams to and from Colonial Office in London, thus avoiding enormous expense of repeating both. One of my messages to you in America cost over £100.

Astonished at your suggestion that important decisions of Cabinet be communicated to you before any action is taken. I think you must trust myself and other colleagues to tell you of matters if it is considered advisable.

I ask honorable members to compare that cable to me, when I was in London, with the cable he sent to me when he was in England. What a contrast, and yet what a likeness! The one is a paraphrase on the other. When he is in Australia we must trust him! When he is in England we must still trust him. The honorable member said in effect, "You must trust me. I will tell you what you are to do, and, if necessary, I will consult you." Thank you; God bless your Honour! He continued, "Surely you do not expect copies of telegrams to and from the Colonial Office. Cannot you go and get them? I did not send any letters to you while you were on the water; that is quite natural." Yet he complained bitterly because I did not send him telegrams more frequently when he was on the water! I sent him many. He sent me none! Yet he is in the right and I am in the wrong!

He had been gone from Australia only nine days when he sent a cablegram on the 9th April—"Why don't you answer my cable? Unless I get this information *re* the Mandates I will not go on." Then he tells us that his nerves were in excellent condition, and he was never in better health, that he is one of the easiest men in the world to get on with, and that the whole trouble in this unfortunate business is that there are eleven other obstinate men in Australia whom he cannot convert to his singularly lucid and admirable ideas, who are wholly to blame for his resignation! He says, in effect, that when he went to London, with him, of course, went the Government. While I was away he insisted that all matters should be decided in Australia; when he was away he insisted that all matters should be decided by him in London!

The honorable member said that the Treasurer (Sir Joseph Cook) and I received no directions from him in regard to Peace Conference matters. I shall quote from one cable which might well have formed the motive of a tragedy. This is the language which the honorable member says did not convey a direction—

Points of Agreement and Disagreement.

Thus is the cable headed—

Claim for representation of Dominions as Dominions, either at Versailles or Peace Conference, is not reasonable, and cannot be supported by the Cabinet.

I was emphasizing, with all the power I had, the need for the representation of Australia. The right honorable gentleman was content that Australia should be represented by Great Britain, but I was not. He said—

It is not proposed to ask Parliament to carry any resolutions claiming representation of Dominions as Dominions. We feel that it would be impossible to pass such a motion.

Is that true? He goes on to say—

We feel that we are not justified in letting you go straight ahead on the course you have marked out without saying even more plainly than in my previous cables what our opinions are. I personally earnestly trust that you will give due weight to them, and advise me result.

If that was not a direction, what was it? Was it not a direction to me, the Prime Minister of this country, and the representative of Australia, that I must not ask that Australia should be represented

at the Peace Conference engaged in drafting the terms of Peace after a war in which we had lost 60,000 men, had had 260,000 casualties, and had spent £400,000,000. Yet, in the face of this, he says we had a free hand!

The right honorable gentleman said something about Nauru and the Pacific Islands. He says I was not only always backed up by the Government, but was not under any obligation to consult the Government or to be directed by it. Let me read two paragraphs from a long cablegram which I sent to him on the 31st January, 1919, relating to the acceptance of the mandatory principle, which I opposed consistently throughout. When at last the fight seemed hopeless, I set out the position as it then stood, I said—

The present position, in which Australian interests are in gravest danger of being sacrificed, arises entirely through the most unfortunate and unwise acceptance of Wilson's fourteen points by the Allies in November last. But for that, our claim to Pacific Islands would never have been challenged. The position is now before you, and I must earnestly urge you and my colleagues not to agree unless—

- (1) We are forthwith publicly appointed mandatory, or get undertaking, in writing, to that effect; and
- (2) That mandate shall publicly give us complete control over immigration, trade, and Tariff over New Guinea and the principal adjacent islands.

I had, as honorable members know, set out my views regarding the acceptance of President Wilson's fourteen points. I emphasized those views very strongly in Great Britain, and for that was subjected to much criticism here, particularly by a newspaper which is owned by friends of the right honorable gentleman. Mr. Watt has sought to make it appear that the Government agreed with what I said about Nauru, but they did nothing of the kind. I asked them to back me up, so that I might say to the British Government, "Our claim to this island is greater than yours. We fought for it, we garrisoned it, we hold it at this moment, and we have a right to it." That seemed to me a sane view, and one which every Australian ought to have held—I do not say that every Englishman should have held it. Had I been backed up, I doubt not that we should have got Nauru. However, we did not, and I made the best of a bad job. I do not

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say that it was a very bad job. The right honorable gentleman said that the verdict of posterity will be that a statesman-like course was pursued by him in subordinating Australian to other interests. If so, that will be the verdict of a weak-necked generation. While half a loaf may be better than no bread, the whole of the phosphates of Nauru would have been better than only one-third of them.

I come now to another instance of the honorable gentleman's methods of dealing with plenipotentiaries and representatives abroad. I had sold the *Australstream*, and he was very much astonished at that, saying that my action violated the basic principles of government. I had bought the ship and I sold her, and he says that I treated her exactly as if she were my own property. These vessels have earned quite a lot of money for the Commonwealth, and nothing for me, so that it must be very clear to the public that they are not my property. Cabling to me on the subject, the right honorable gentleman said—14th March, 1919—

It may be that this sale is advantageous in view of all circumstances, but I strongly feel that such important actions should not be taken in anticipation of Cabinet approval.

To that I replied about a fortnight later—

Re "Austral" ships. As you know we have sold one old "Austral" at good profit. This is most excellent deal. There is another, the *Australfield*, twenty years old, which ought to go, but it would be bad policy to sell unless we are also prepared replace with better ships picked up as opportunity offers. I am on the spot, and I suggest Cabinet authorize me sell old steamers and buy new ones up to funds now in hand, or that will be in hand as result future sales. I do not contemplate selling more than, say, two more "Australs" without again consulting you.

To that Mr. Watt sent this cablegram of the 17th May—

Eva advises you have sold *Australfield*. Have re-read cables both ways between us on sale of ships, and think proper procedure is to get definite authority from Cabinet.

Assuming that I was wrong, and should not have done what I did, still the messages prove that I was not allowed to act as I pleased, but that at every turn I was compelled to consult with and receive directions from the Government in Australia. Yet if ever a Minister abroad had a right to act without direction, I had that right. I was dealing with matters within my own province. The control of these

vessels was the business of my Department. I knew all about them, and was in close touch with the Manager of the Commonwealth Line of steam-ships. It was essential to the welfare of the business that we should sell these ships. Yet the honorable member said, "You must not do anything without consulting the Cabinet." When I said to him, "You must not do anything in regard to indemnities, or the White Australia policy, or reparations without consulting me," his reply was that I called him a plenipotentiary and treated him like a telegraph messenger. Apparently, what was proper for him to say it was improper for any one else to say to him. Then contrast the tone of his communications to me and mine to him. On the 18th April, he cabled—

It is essential that I should receive, as you promised, prompt and full particulars concerning all communications between Imperial Government and you. Be good enough to inform me whether you intend to do this.

And on the 27th May—

You must leave matters confided to my care entirely in my hands, and trust my judgment as to whether I should consult you or decide them here. You must also request Secretary of State to send me copies of all cable correspondence both ways about other matters. If you are not prepared to do this, kindly say so at once.

I must do this, and I must not do that. Yet for him all things must be done as he decides! The right honorable gentleman has declared that he was forced out of office by the action of his colleagues, but the cables prove conclusively that every effort was made to retain his services; and although circumstances combined with the desire of his colleagues to insure the success of the high and important mission with which he was intrusted, yet on the very threshold of it he balked. Why? He wants us to believe the sufficient reason was my cablegram to the Secretary of State for the Colonies!!

A word or two on another matter. The honorable gentleman complained that I sent a telegram to the Secretary of State direct on a matter relating to his mission. I have dealt with that, but the honorable member wants the House to believe that he never acted in this way himself while I was in England. But that is not true. He did on many occasions. I will quote one to which he

has referred—the clean-slate policy in regard to finance, which was of vital importance, and clearly within the scope of the Peace Treaty. I complained that the right honorable gentleman had communicated with the Secretary of State for the Colonies about this matter, and had not notified me, I learning of it for the first time through the press. His reply is that, charging his memory as best he could with what had happened two years before, he thought that I had been consulted. Speaking, like the honorable member, from memory, I say that I knew nothing of the matter. To the best of my knowledge and belief, I was not consulted; and I am absolutely certain that I did not approve of what was done. But I have been supplied by the officials with the following particulars from the files, which refute absolutely the statement of the right honorable gentleman:—

Mr. WATT said that he had consulted Mr. Hughes re this matter prior to a reply to the Secretary of State. The file shows that the matter was submitted to Cabinet, on the 18th November, 1918, and the following day a cable was despatched to the Secretary of State containing Government approval of the principle. Mr. Hughes was so advised the same day.

So that it is perfectly clear that behind my back the right honorable member agreed to a policy relating to international finance arising directly out of the war, and committed the Commonwealth to that policy, without even notifying me of the fact that he intended so to do.

Mr. WATT.—I think the matter has a longer history than that.

Mr. HUGHES.—It may have, but I am afraid the longer you go into it the worse it gets. However, there is the position quite clearly. The right honorable member said that he had consulted me before replying to the Secretary of State. That is not so. The point I am making is this: The right honorable member seeks to draw a clear line of distinction between the manner in which he was treated and that in which any other Minister charged with high and important duties abroad has been treated. I venture to say that the principle of responsible government has demanded the same treatment in every case. Not only did he treat me in the very same manner to which he takes such strong exception, but, as I said, when speaking here before, that, when my right

honorable ex-colleague, Mr. Fisher, went Home, and I acted for him for nine or ten months while he was in Africa and England, it was repeatedly acted upon. When speaking on this matter on the last occasion, I pointed out that an important question like the Treaty of London, to which apparently the British Government was then likely to commit itself, had been brought up before the Cabinet, and Mr. Fisher was instructed—not authorized—to vote against it, which he did. The principle of responsible government, and its bearing upon the representatives of the Commonwealth when engaged in missions abroad, is well established. The right honorable gentleman has sought, by introducing extraneous matter, and by abuse of myself, to make it appear that he has been choused out of his position; that he has been treated unfairly; that he has been pushed out of office; and that his mission was deliberately hampered. I say emphatically that there is not one word of truth in such a statement. The documents laid on the table of the House, which contain the correspondence between him and me, speak for themselves. Every honorable member who will look in an impartial way at those cables will see that they show clearly that this Government was most anxious to retain the services of the right honorable gentleman, and to make his mission a success. I say deliberately, as I told him in my cable, that I was most upset at his resignation, and could not understand it. I remembered the occasion on which he had written me before, and I took the same course in this case as in the other. I hoped it would have had the same result. The right honorable gentleman may believe of me what he pleases, but I assure him that it was a bitter blow to the Cabinet when he resigned. It was a bitter blow to me. I ask him, as a sensible man, what I could have done more than I did to induce him to remain. I ask him what I could gain by frustrating his mission. He does not deny that, on a previous occasion, when we had a difference of opinion arising out of one of the matters that have been mentioned to-day, I did everything that a man could do to induce him to remain. He does not deny

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that, on my return from England, when he said that he felt that his health was such that he would have to resign, I used all my influence with him to induce him to remain. He cannot deny that I told him that, if he resigned, I would not carry on. Why, then, should he assume these sinister motives in regard to actions done with sincere and honest motives? The fact is that the honorable gentleman for some reason or other decided to break with his colleagues. He took up an impossible position. He demanded that he should be given a free hand, that he should be allowed to do whatever he pleased inside a wide and most important mission. He demanded that he should decide whether he would consult or notify his colleagues. To that principle we could not accede; but everything else we righted so far as we were able to do it. So I cannot but regret that the right honorable member has, in his explanation to Parliament, introduced matters that are quite irrelevant, and that he did so upon the excuse that I attacked him during his absence. I would remind him that he himself invited me to do the very thing that I did do. He invited me to take what was, as I said then, and say now, a most unusual course, by tabling the correspondence. He has suggested, although he did not persist in the suggestion, that I had withheld certain portions of the correspondence. When I assure him that the whole file was referred to a Committee, consisting of the Leader of the Opposition (Mr. Tudor), and the Leader of the Country party (Mr. McWilliams), that there was no difference of opinion between us, and that we decided what should be left out, he will surely accept that assurance from me. It was a matter of indifference to me what was left out. The parts that were left out were not left out because they would favour or prejudice the honorable member, but because they seemed to contain references that might give offence in other quarters.

Mr. Tudor.—Or because they were irrelevant.

Mr. HUGHES.—Or because they were entirely irrelevant. The right honorable member has come back to us, and has told us that if we had allowed him to continue, he would have been successful. He said, further, that if I had not interfered

with the scheme to extend the Wool Pool for a further period of years it would have been very much better for Australia. All these things are by the way. They have nothing whatever to do with the right honorable member's resignation. He does not pretend that they have anything to do with it. He resigned because he had a difference of opinion with his colleagues. If everything was as he says it was, if I had deliberately withheld information from him, if I had deliberately sent that cable to the Secretary of State with a view to intruding into a sphere that was properly the prerogative of the right honorable member, even these things would not justify his resignation. All that he has said does not excuse it, although it may explain it. The right honorable member resigned from his post. He left his post when it was impossible to send another man to take up his duties for many months. Now he comes back and says, "I was on the eve of success when the Prime Minister sent this cable, and the doors of Lord Inverforth and Mr. Chamberlain were closed in my face." He says, also, that he would have been able to secure all these millions that he has read about this afternoon, and that I ought not to have asked for those millions myself. He says it was grossly improper for me to do so, although those to whom these millions are due authorized me to do so, and insisted upon my doing it. Does the right honorable member suggest that the wool-growers of this country have no rights in this matter? Does he seriously say that, because I sent that cable Home supporting his demand for payment, it is a sufficient reason why he should have resigned? He said I asked for all, while he asked for it only in instalments. I did ask for it all. I said what I was told to say. This is what I said—

Referring my previous telegram asking for (1) information *re* amount of Australia's share of profits on wool bought by British Government and sold for civilian purposes to date, and (2) date on which such amount will be paid, I have this day been requested by specially summoned joint Conference of Australian Wool-growers' Council and National Council of Wool-selling Brokers of Australia to urge that a definite statement should be made, without delay, as to the amount due to the Commonwealth on behalf of the growers, and that this should be paid forthwith.

Will the right honorable member seriously contend that the despatch of that cable is a sufficient reason for his resignation? No one can do so. Then the right honorable member says—"So that in this matter I was baulked on the very eve of success. I would have been successful but for you." I say to him, as all his fellow-citizens must do, "Why did you resign? Where are those millions of which you speak?" He also says—"The Brussels Conference about which you spoke was unimportant. Great Britain was represented only by bankers." I think he also said that South Africa was not represented at all.

Mr. WATT.—I did not say so in regard to that Conference.

Mr. HUGHES.—He said that Mr. Collins represented us there, and that no harm could have come to the Commonwealth. It may have been so. We do not know; but the honorable gentleman has assured us that the Commonwealth has not lost anything from his absence from the Brussels Conference. Then there is the matter of the Spa Conference. The honorable member has assured us again that we have lost nothing through our failure to have a representative upon the Empire's delegation there. It may be so. But, in regard to immigration, to trade representation, to finance generally, and with respect to the loan position, what had the honorable gentleman to say? What has he done in regard to all these "matters of life and death"? Nothing! As I said at the outset, he has dealt with this one matter at great length. He has exhumed the bodies of the dead, and he has dishonoured the graves of those who have fallen—I speak of political graves, of course. He spoke about smoke screens. He has endeavoured to raise a smoke screen behind which he hopes to find some degree of security, or, at any rate, of obscurity. He would have done far better, in my opinion, if he had confined himself to the merits of his case, and told us just why he resigned. How has his abuse of me helped him? Although the honorable gentleman may not think so, everybody in this House was desirous of giving him the fairest of fair shows. But he can hardly say that his explanation has improved the situation. No doubt he evoked some applause from those who are the deadly opponents of that party to

which, before he went to England, he was committed; but from no other. That, perhaps, did not occur to him; but there I leave it. I am satisfied that the honorable member has not been able to assail the arguments or the principles laid down in the speech which I delivered in this House on 2nd July. The documents tabled in this House speak for themselves. The honorable member has admitted that nothing has been suppressed which bears on the subject. He has sought, by an attack on myself, to divert the discussion from the facts of the case to other things. I am sorry he has done so; but I feel confident that the verdict of the people will be one of censure of the right honorable gentleman who has resigned an office of such importance at a juncture so critical for causes which, upon analysis, are found utterly insufficient to afford justification for his action. I am content now to leave the whole matter where it stands.

Sitting suspended from 6.26 to 8 p.m.

Mr. TUDOR (Yarra) [8.0] (*By leave*).—Had we continued for a few minutes longer before the dinner adjournment, I would have been able to have said all that I desired. The honorable member for Balaclava (Mr. Watt) during his speech referred to the fact that he understood that the *Punch* newspaper had been purchased by a Mr. F. W. Hughes, and the Prime Minister (Mr. Hughes) said that he knew the persons who owned the *Herald*. I do not know any newspaper proprietors in Australia, and I believe that honorable members on this side are in a similar position. We are not here as a result of any support we have received from the press, but in spite of it; and no one knows that better than honorable members opposite, who were at one time members of the party to which I belong.

When the cables which passed between the Prime Minister and the late Treasurer were submitted to the Leader of the Country party (Mr. McWilliams) and me, after the Prime Minister had read them, I made a statement, by leave, in which I said—

The Prime Minister's suggestion was that we should edit this file; but we acted rather as censors, our work being to cut out what was not material to the case, or what, in the

public interest, should not be disclosed. We were not asked to take sides, and I do not intend to do so. By way of illustrating the omissions that we sanctioned, I might say that one of the cablegrams sent by Mr. Watt contained certain confidential figures. He said, "I have obtained these figures in confidence." That information was, therefore, kept back from publication.

The honorable member for Balaclava referred to these figures this afternoon, and, as the honorable member has said, we did the work hurriedly, I may say we did not have an opportunity to do it as carefully as I believe the honorable member for Franklin and I would have desired to have done it.

Mr. McWILLIAMS.—We endeavoured to do it fairly.

Mr. MAXWELL.—It has not been shown that those omitted were relevant.

Mr. TUDOR.—There were certain news cables, one of which referred to the result of the New South Wales election. I believe the whole file was submitted to the members of the party opposite before they came before us, and, had I known that, I am not sure whether I would have assisted in editing the file. Speaking from memory—I have not seen the file since that time—I believe one cable related to the rate of interest on future loans, and, in the interests of the Commonwealth, we deliberately excluded it. I believe we did right, because we probably prevented Australia from paying a heavier interest bill than we have to meet at present. Another cable reflected upon another nation that has been friendly towards Great Britain in the past, and may be friendly in the future. We did not think it necessary to include two cables, one to the shipping manager and another to the Secretary of State, as they were not considered relevant to the fight between the Prime Minister and the late Treasurer. I have always adopted the well-known practice of refraining from interfering in a family quarrel, and is not my intention to interfere on this occasion. I was interested to hear the honorable member for Balaclava confirm a statement that has often been denied, that the reception to the Prime Minister from Great Britain was stage-managed.

Mr. FLEMING.—Who stage-managed it?

Mr. TUDOR.—It was stage-managed.

Mr. FLEMING.—It is an insinuation against the returned soldiers.

Mr. TUDOR. — The late honorable member for Brisbane (Mr. Finlayson) asked a question as to the amount the men were to receive for turning out on that occasion, and it is well-known that they were paid. I am glad to have the confirmation of the honorable member for Balaclava that the whole thing was carefully stage-managed.

Sir ROBERT BEST.—Were the people stage-managed?

Mr. TUDOR.—The whole thing was worked up—

Honorable members interjecting.
Perhaps, when honorable members have ceased interjecting, I shall be able to proceed. This evening I am to attend a political meeting in a district where I believe the fight is to be fairly strong, and I trust the interjections will not be as numerous as they are here.

I am not interfering in this struggle at all, but merely wish to say that the cable to the Secretary of State, and another which was not quoted in exactly the same words, but which meant the same thing, were not considered relevant. I do not know what will come out of this combat, but I hope to have the opportunity, after the honorable member for Franklin (Mr. McWilliams) has spoken, to move a motion—

Mr. BRENNAN.—Which is more important.

Mr. BELL.—What is that?

Mr. TUDOR.—Not as the *Argus* newspaper says, in the interests of the primary producers of Richmond and Collingwood, but on behalf of the primary producers generally. I merely desired to refer to the cables that were deleted from the file, and also to the carefully stage-managed affair that occurred at the instance, I presume, of the Government which the honorable member for Balaclava had the honour to lead at that time.

Mr. McWILLIAMS (Franklin) [8.10]. (*By leave*). — It is not my intention to occupy much time at this juncture. The whole question is very regrettable, and it is deplorable that the resignation of a Minister should have been brought before the House in this way. In regard to the cables, I re-echo what the Leader of the Opposition (Mr. Tudor) has said. I believe we honestly tried to play the game between the two contesting parties, and I do not think any one will accuse me of being

strongly prejudiced in favour of the Prime Minister against the honorable member for Balaclava.

Mr. STEWART.—The policy of the Leader of the Opposition in keeping out of family quarrels is a wise one for us to adopt.

Mr. McWILLIAMS.—When I perused the cables I made certain shorthand notes. When I came to one particular message I said, "This is probably the cablegram that has wrecked the financial mission of the late Treasurer." That was the message sent by the Prime Minister (Mr. Hughes) direct to the Secretary of State, and I am not surprised to hear that that message interfered very materially with the financial arrangements the late Treasurer was to have made in Great Britain. I believe the Prime Minister is very much to blame for not having sent that cablegram direct to Mr. Watt, with a request that it be forwarded to the Secretary of State. So far as the late Treasurer's action is concerned, I think he also made regrettable error of judgment, as his proper course would have been to inform the Prime Minister that he had made it absolutely impossible for him to carry out his financial mission. In doing so he could have asked if it was the wish of Cabinet that he should represent the Commonwealth at the Brussels and Spa Conferences. I think that would have been a much safer and better attitude for the honorable member for Balaclava to have adopted. The whole position is very regrettable, and when the late Treasurer cabled that cables should be laid on the table of the House, it would have been better, if that had been done—omitting only those that were not of any consequence to the issue—because honorable members would then have been able to pass judgment without any interlude at all. The messages had been submitted at a party meeting, and there was no necessity to bring the matter before the House. The Prime Minister has said that the late Treasurer returned to Australia very leisurely. But I may say that the Government acted with equal leisure in appointing his successor. If this matter was of such vital importance—as I believe it was—the moment the late Treasurer's resignation was accepted another Minister should have been despatched by the first boat to take up the work that he had surrendered. I

take up the position adopted by the Leader of the Opposition in saying that this is really a dispute between two Ministers, and, so far as I am concerned—and I think I am speaking for the members of my party—we can very well leave the dispute to the two Ministers themselves.

Mr. BRENNAN.—I rise to order. When the honorable member for Balaclava (Mr. Watt) asked leave to make a statement this afternoon some honorable members objected. That objection being fatal, a motion was then moved for the suspension of the Standing Orders. I understand that that can only be done in cases of urgency, and cannot cover a debate extending beyond the speech of the honorable member who has asked leave to make a statement. I would like your ruling, sir, on that, and also on the point that I now ask leave to make a speech which will probably extend over three hours in summing up from all sides of this question.

Mr. SPEAKER (Hon. Sir Elliot Johnson).—The honorable member's contention would be valid under ordinary circumstances, so long as the leave was given to an individual member only; but perhaps he was not present or did not quite catch the wording of the motion when it was moved.

Mr. BRENNAN.—I was present.

Mr. SPEAKER.—Perhaps the honorable member did not grasp the specific terms of the motion which I read to the House. I asked the Prime Minister (Mr. Hughes) to be good enough to hand up the motion, as it involved something more than a suspension of the Standing Orders to enable the honorable member for Balaclava to address the House. It embodied certain other matters. The motion was—

That so much of the Standing Orders be suspended as would preclude the right honorable member for Balaclava (Mr. Watt), the Prime Minister (Mr. Hughes), the Leader of the Opposition (Mr. Tudor), and the Leader of the Country party (Mr. McWilliams) from making statements to the House.

It will thus be seen that the House assented to the suspension of the Standing Orders to allow those four honorable members to make statements.

Mr. BRENNAN.—That does not cover my case.

Mr. SPEAKER.—The honorable member's name was not included in the motion.

Mr. LAVELLE.—I also rise to a point of order. The Standing Orders provide that before a motion for their suspension can be put to the House it must be moved and seconded. In this case the motion submitted by the Prime Minister (Mr. Hughes) was not seconded, so that I submit that the whole of the discussion this afternoon has been irregular.

Mr. SPEAKER.—On reference to the Standing Orders, the honorable member will see that where a motion is moved by a Minister it is not necessary that it should be seconded.

ESTIMATES 1920-21.

In Committee of Supply (Consideration resumed from 19th October, *vide* page 5764):

THE TREASURY.

Divisions 25 to 36, £1,109,899.

Mr. BLAKELEY (Darling) [8.18].—I desire again to enter my emphatic protest against the way in which the motion of censure submitted on behalf of the Opposition has been side-tracked in order to allow of personal recriminations and the passing of compliments between certain honorable members on the Government side of the House. I desire also to make my position clear with regard to my objection to the honorable member for Balaclava (Mr. Watt) having leave to make a statement in the House this afternoon. I fully appreciate the position of the right honorable member, who has had a personal quarrel with the Prime Minister.

The CHAIRMAN (Hon. J. M. Chanter).—Order! The honorable member cannot refer to a matter that was dealt with in the House. I would remind him that we are now in Committee of Supply.

Mr. BLAKELEY.—There seems to be a determination that I shall not be allowed to speak. I objected to the right honorable member for Balaclava having leave to make a statement because there was more important business awaiting the attention of the House.

The CHAIRMAN.—I have already informed the honorable member that it is

not in order to refer to matters that have been dealt with in the House.

Mr. BLAKELEY.—I have no desire to prevent any honorable member from vindicating his honour, but I object strenuously to petty private quarrels being dragged before the House in order to keep back a motion which is of some consequence to the farmers of the Commonwealth.

Mr. GREENE.—I rise to order. The honorable member, notwithstanding your ruling, sir, is proceeding to discuss matters which took place in the House.

The CHAIRMAN.—I have already called the honorable member to order on two occasions. The Treasurer's Estimates are now before the Committee.

Mr. BLAKELEY.—In the Estimates relating to the Treasury there is an item of "Miscellaneous," which covers an expenditure of something like £500,000, and, no doubt, includes every thing from a postage stamp to the purchase of a steamer. I have no doubt that portion of the money to which the item relates has been expended on cable messages. Apparently, for quite a long time the money of the Commonwealth was spent on complimentary cablegrams between the then Acting Prime Minister (Mr. Watt) and the Prime Minister (Mr. Hughes). When things were a little dull the right honorable member for Balaclava would write a book and cable it to the Prime Minister.

The CHAIRMAN.—I have already called the honorable member to order twice, and if he continues to disobey the Chair I shall order him to discontinue his remarks.

Mr. BLAKELEY.—Evidently, I cannot get on with my subject. I, therefore, move—

That progress be reported, and leave asked to sit again.

Question put. The Committee divided.

Ayes ..	..	..	13
Noes ..	..	..	34

Majority 21

AYES.

Blakeley, A.	Page, James
Brennan, F.	Ryan, T. J.
Cunningham, L. L.	Tudor, F. G.
Gabb, J. M.	Watkins, D.
Lavelle, T. J.	Tellers:
Lazzarini, H. P.	Considine, M. P.
Mahony, W. G.	Riley, E.

NOES.

Atkinson, L.	Lister, J. H.
Bamford, F. W.	Livingston, J.
Bell, G. J.	Mackay, G. H.
Blundell, R. P.	Marks, W. M.
Bruce, S. M.	Marr, C. W. C.
Cameron, D. C.	Maxwell, G. A.
Cook, Sir Joseph	McWilliams, W. J.
Cook, Robert	Page, Dr. Earle
Corser, E. B. C.	Poynton, A.
Foster, Richard	Rodgers, A. S.
Gibson, W. G.	Ryrie, Sir Granville
Greene, W. M.	Stewart, P. G.
Gregory, H.	Wienholt, A.
Groom, L. E.	Wise, G. H.
Hay, A.	
Higgs, W. G.	
Hughes, W. M.	
Jackson, D. S.	

Tellers:

Burchell, R. J.
Fleming, W. M.

PAIRS.

Anstey, F.	Watt, W. A.
Charlton, M.	Chapman, Austin
Fenton, J. E.	Bowden, E. K.
Mahon, H.	Bayley, J. G.
Makin, N. J. O.	Prowse, J. H.
Maloney, Dr.	Best, Sir Robert
McDonald, C.	Jowett, E.
Moloney, Parker	Story, W. H.
West, J. E.	Fowler, J. M.
Mathews, J.	Hill, W. C.
Nicholls, S. R.	Smith, Laird
McGrath, D. C.	Francis, F. H.

Question so resolved in the negative.

Motion negatived.

Mr. GREGORY (Dampier) [8.29].—I am sure that the Treasurer (Sir Joseph Cook) does not desire that the Estimates referring to his Department should be passed without some explanation in regard to various matters which come within its scope. Honorable members will observe that the Treasury Department contains many sub-Departments, including Stores, Supply and Tender Board, the Notes Printing Office, Invalid and Old-age Pensions Office, Maternity Allowance Office, Taxation Office, and many other offices, which are of very great importance.

Sir JOSEPH COOK.—I ask the honorable member to permit me to make a personal explanation. There is a matter in respect of which I fear some mistake occurred last night in the course of a statement concerning Australia House, and I should like to put it right. I know that I am somewhat out of order, but perhaps I may be allowed to say what I desire to say in this connexion. The facts concerning Australia House are roughly these: From revenue we spent—

Mr. BLAKELEY.—I rise to a point of order.

Sir JOSEPH COOK.—But I am making a personal explanation.

Mr. BLAKELEY.—When an honorable member rises to a point of order, the practice is that the honorable member who is addressing the Chair must resume his seat.

Sir JOSEPH COOK.—It is quite unusual for an honorable member to raise a point of order whilst another honorable member is making a personal explanation.

Mr. BLAKELEY.—My point of order is that under cover of a personal explanation the Treasurer cannot make a statement in respect of something that was said last night by another honorable member, and which he now desires to correct.

The CHAIRMAN (Hon. J. M. Chanter).—The honorable member for Darling (Mr. Blakeley) may know what the Treasurer (Sir Joseph Cook) intends to say, but I am sure that I do not. However, it is quite in order for any honorable member to make a personal explanation at any time, so long as in so doing he does not interrupt another speaker.

Sir JOSEPH COOK.—And I am perfectly in order in correcting a statement which was made last evening in regard to Australia House. The facts are that we expended from revenue upon this building £121,000, and that we spent from loan funds a further sum of £856,000 making the total cost of Australia House £977,000.

Mr. BLAKELEY.—I rise to a point of order. I submit that the Treasurer cannot quote figures correcting the views expressed by an honorable member after the particular matter to which he addressed himself has been disposed of. Yet that is what the right honorable gentleman is now attempting to do.

Sir JOSEPH COOK.—Then I shall not bother farther about the matter. Let us proceed with the consideration of the Estimates, and let it go into *Hansard* that the honorable member is bent upon having a mistake continued rather than upon having it corrected.

Mr. GREGORY (Dampier) [8.35].—I am very sorry that the Treasurer (Sir Joseph Cook) has not been afforded an opportunity to make a personal explanation. Surely when a mistake has been made the right honorable gentleman should be allowed to correct it. However, I wish to refer to one

or two matters connected with the Estimates of the Treasury Department. The first relates to our Notes Printing Office. I would like to preface my remarks in this connexion by directing attention to a report of the Public Works Committee, which was issued some considerable time ago concerning the way in which the employees of that Department are housed. Nothing could be worse than the conditions of those who are employed in our Notes Printing Department, and I marvel at the attitude of the Government in neglecting to take the necessary action to alter those conditions.

Mr. MAHONY.—Why do they not build the Notes Printing Office at Canberra?

Mr. GREGORY.—That is a proposal which should be brought forward by the Government. Certainly the conditions existing in our Notes Printing Department ought not to be continued a moment longer than is avoidable.

I come now to the Bill which was submitted to Parliament a little time ago by the Treasurer in connexion with the note issue. There are certain sections in that Act which demand our most serious consideration, because there is not the slightest doubt that if the Government persist in increasing our note issue, and in compelling the banks to hold large quantities of notes in reserve, the future solvency of this country will be gravely endangered. We cannot pay our debts by issuing promissory notes. There is too much of a Micawber-like policy in connexion with the action of the Government and of politicians generally. The sooner we come to a determination in regard to matters of this sort the better it will be for this Parliament and for the country.

Mr. CONSIDINE.—Micawber was always waiting for something to turn up, and we were waiting for somebody to turn up the other day.

Mr. GREGORY.—We have been waiting very anxiously for the Opposition to persist in its no-confidence motion. Why its members have not gone on with that motion I cannot understand.

Mr. BLAKELEY.—The honorable member knows the reason perfectly well. The Government are afraid of the censure motion.

The CHAIRMAN (Hon. J. M. Chanter).—I have already called upon honorable members individually, and I

now call upon them collectively, to cease these interjections, otherwise they will force the Chair to take action.

Mr. GREGORY.—There is only one other matter to which I desire to refer, namely, the Taxation Department.

Mr. LAVELLE.—This is an attempt to burke discussion of the no-confidence motion.

The CHAIRMAN.—The honorable member for Calare is out of order.

Mr. GREGORY.—I was hopeful that the Treasurer might have given us some little information in regard to the taxation proposals of the Government. Apparently, there has been some change recently in reference to the Government policy. A little time ago we were assured that there would be no necessity to raise any further loans during the current financial year. Yet I notice in the press to-day an announcement that it may be necessary to raise an additional £10,000,000 before June next.

Sir JOSEPH COOK.—I always excluded that loan from the ordinary loans of the year. If the honorable member will look at the Budget he will see that I expressly referred to the payment of war gratuities.

Mr. GREGORY.—The fault may be entirely my own, but I was certainly under the impression that the last loan was all that it would be necessary to raise in order to enable the Treasurer to finance Australia during the current financial year.

Sir JOSEPH COOK.—The payment of the war gratuities will not constitute a new debt. The loan will rather be in the nature of a conversion.

Mr. GREGORY.—I am very sorry that it will be necessary to float a new loan. Of course, I quite recognise the enormous commitments of the Treasurer.

I would like to know from the right honorable gentleman when the Taxation Commission will be able to issue its report, and whether there is the slightest possibility of amending legislation with a view to an adjustment of the incidence of taxation being introduced this year. At the present time the incidence of taxation is not fair. Some persons pay taxation upon a far heavier basis than do others. Time after time we have asked that this taxation shall be based upon an average of three or five years. If the Treasurer can give us any information

upon that matter we shall regard it as a very great favour. I have no desire to delay the Committee further. I merely rose for the purpose of directing attention to these items before we agree to them as a whole.

Sir JOSEPH COOK (Parramatta—Treasurer) [8.42].—In regard to the Notes Printing Department, I know that things are very unsatisfactory. But the remedy really depends upon action by this House. Our position at the present moment is that we want new and better housing for the Notes Printing Department. That Department is congested, and, as an honorable member says, it is dangerous. Something must be done soon. There is upon our business-paper a notice of motion which should be submitted as early as possible in order that we may obtain the decision of the House upon it.

Mr. WATKINS.—It is merely an attempt to keep the Department in Melbourne.

Sir JOSEPH COOK.—Here is another member of the Economy party endeavouring to correct an older member of a second Economy party. He wishes to spend something like £40,000 upon this project. Not only is our Notes Printing Department badly housed, but our Taxation Department is also badly housed.

Mr. GREGORY.—The Commonwealth erects buildings in this city which would not be tolerated if they were erected by any private person.

Sir JOSEPH COOK.—We must allow the honorable member his little say. Last night he did his economy stunt, but to-night he is upon the other side. We must let him balance matters just a little. I am not complaining of his action. I am rather glad to have him upon our side to-night in a demand for additional expenditure, which, after all, may turn out to be true economy.

Mr. JAMES PAGE.—Put up the Notes Printing Office at Canberra.

Sir JOSEPH COOK.—I had better reply to that interjection by saying that at the earliest moment the motion to which I have referred will be submitted to the House for its decision. I paid a visit the other day to the Taxation Department in the building off Flinders-street, Melbourne, and I do not hesitate to say that the officers ought not to be asked to work under the prevailing conditions.

There is much overcrowding, and, from the point of view of ventilation, and in other ways, the place leaves much to be desired for so many officers. Something must be done, and I have asked my colleague, the Minister for Works and Railways (Mr. Groom) to submit a proposal to refer the matter to the Public Works Committee with a view to a new building being provided.

Mr. AUSTIN CHAPMAN.—What about Canberra?

Sir JOSEPH COOK.—There will always have to be a Taxation Office in Melbourne, for it could not be removed to Canberra even if we were ready to go there to-morrow. There is something further I should like to say in this connexion. It is not a question of whether we are likely to deal with the matter of taxation averaging this year, because before the next financial year, we must have a new scheme of taxation altogether. This is the last year for collecting the war-time profits tax, and we must collect equivalent revenue by some other means; and this, of course, involves revision of the whole scheme of taxation.

Mr. GREGORY.—We ought to get £6,000,000 more from Customs under the new Tariff.

Sir JOSEPH COOK.—As to that, we must wait until the year is up. It looks as if there was going to be a speedy easing up of import duties for other reasons than the operation of the Tariff. I do not anticipate that imports are going to continue to pour into the country at the same rate as at present, and, therefore, our scheme of taxation must be made to meet the situation. Involved is the question of whether taxation should be levied on the average, or some other basis; but I look on that point as settled, the House having emphatically declared that the averaging principle must be applied to the income tax. I hope, the Commission of Inquiry which is dealing with the matter, will soon report, so that we may be prepared for the new conditions.

Dr. EARLE PAGE.—Will you apply the principle to this year's assessments?

Sir JOSEPH COOK.—I hope the revision may be made in time for this year's assessments; at any rate, I am doing my best in that direction.

Mr. ATKINSON (Wilmot) [8.51].—Can the Treasurer (Sir Joseph Cook) give

the Committee any information regarding the difficult problem of deflating the note issue? I understand that the right honorable gentleman has already been able to cancel about £3,500,000 of notes, but whatever plan may be adopted to this end, it must be gradual in order to avoid the infliction of hardship on the community. Something must be done in this direction; and, although the result may be some unemployment, there will be benefits to counteract the disadvantages. In view of our present financial position, it may be necessary to be cruel in order to be kind. If we continue issuing notes too freely, we shall only make our position worse, deluding the people with an apparent prosperity which can only result in a crash sooner or later. Has the Treasurer any scheme in contemplation for calling in the surplus notes? Before the note-issue was taken over by the Commonwealth, it was a very fine system in Australia, representing, perhaps, the best of the kind in the world. The notes went in and out of the banks just as the trade of the country required—a sort of automatic arrangement which worked admirably. The assets behind the notes were ample, and the notes were a first charge on the banks; but when the Commonwealth took over the note-issue, it had to have a gold backing, which, according to the Act, must be 25 per cent. Fortunately, we have always been able to provide even a better backing than that, but still, at the present time, there are more notes in circulation than the business needs of the country justify, and we ought to endeavour to get back to normal conditions as soon as possible. An inflation of the currency always means increase in prices, with the consequence that the paper money buys less and less, while the gold retains its standard value. Has the Treasurer any idea what is going to be done in the direction I have suggested?

Sir JOSEPH COOK.—I am sorry to say that I have not.

Mr. ATKINSON.—Then the Treasurer does not really know how it is proposed to call in the notes, the circulation of which I feel sure is bigger than the right honorable gentleman likes.

Have the Government had under consideration any scheme by which people of working age may contribute to a fund to provide old-age and invalid pensions, and insure against sickness,

maternity, and unemployment? The present doling out of money must have a very serious effect in sapping the moral fibre of the people. If we are content to give a man a pension because he has just managed to steer clear of gaol, while doing nothing at all for the community, we are getting into a dangerous position. It is all very well for honorable members opposite to laugh, but they would force pensions even on people who did not desire them. I am glad that there are old-age pensions, and I only wish they were larger; further, I think that the earnings of the old-age pensioners ought not to be limited in the way they are, especially in the case of the blind. It is time the Government formulated a scheme such as I have indicated. I remember that in the days of the Liberal party such a proposal was on their platform, but nothing has ever come of it. Mr. Lloyd George has been able to do something on those lines in the Old Country, and we should follow the example he has set.

Mr. AUSTIN CHAPMAN.—What taxation do you suggest to raise the money?

Mr. ATKINSON.—I suggest that there should be weekly contributions by the people. In Germany and other countries, the employee and the employer both contribute, and the State gives a subsidy, with the result that there is always ample money to meet the claims made. It is a serious matter to dole out money in this way, leading the people into a fools' paradise, because the day may come when we shall not have these sums to dole out. Any one with self-respect would be only too willing to pay a fair contribution towards a fund which would provide a pension for him on his reaching the age limit. Of course, it ought to be the aim of every man to achieve a position which will put him beyond the need of an old age pension, but at the same time I would like to see provision made for the payment of pensions to those who are unfortunate enough to require them. However, if this country is to proceed as it is now doing with the load of debt upon it, the day may come when we shall find that we cannot afford to pay old age pensions.

Honorable members interjecting,

The CHAIRMAN (Hon. J. M. Chanter).—If I have again to appeal to the honorable member for Darling (Mr. Blakeley), I shall name him.

Mr. ATKINSON.—My idea is that while an individual is able to work he ought to contribute so much at intervals, and, according to a scale, to a fund which should be subsidized by the State. Such schemes are common enough in other parts of the world, and if we are to be a self-respecting nation it is necessary that we should follow their example, because a race which is lacking in self-respect cannot put up much of a fight against one which is self-respecting. Our present system saps the self-reliance of the people, and is leading the community, especially the aged section of it, into a fools' paradise, because some day they may wake up to the fact that the Government, instead of being in a position to increase pensions, will be obliged to curtail them, a condition of affairs which I do not hope to see. I am sorry that the pension is not larger. Hundreds of people who have worked hard, lived honestly, and served their country well, are not receiving anything like the allowance I should like to see them get. If the Government would adopt some scheme on the lines I have suggested they would not be called upon to provide every year the large sums we are now paying in the shape of pensions, and far better results would be achieved. Pensions certainly would be on a more stable basis. I know that some honorable members go outside and hold up an honorable member who speaks in the way I have done as one who opposes the payment of old-age pensions, whereas he may be endeavouring, as I am, to make them what they ought to be, in the interest of those who are obliged to accept them. If the Government have any scheme in their mind, I hope the Treasurer (Sir Joseph Cook) will outline it to us. If they have none in mind at the present time I hope that they will take my suggestion into consideration.

Mr. LAVELLE (Calare) [9.5].—Believing as I do that matters all important to the community, generally, should be immediately brought before this House and discussed, being very indignant at the treatment meted out to honorable members of the Opposition by the Government during the last two days, and believing further that it is never too soon to do the correct thing. I move—

That the further consideration of the Estimates be postponed, and that the House do

immediately deal with the first notice of motion, "That the Government be censured for their failure to make provision for the payment of 5s. per bushel cash at railway sidings for this season's wheat."

The CHAIRMAN (Hon. J. M. Chanter).—I decline to accept the motion which, in my opinion, is not put forward for a legitimate purpose.

Mr. LAVELLE.—I did not quite catch what you said. Did you say that my motion was not important?

The CHAIRMAN.—I said nothing of the kind. What I said was that I declined to take the motion, not only because it is not relevant to the question before the Chair, but also because, in my opinion, it is not proposed for a legitimate purpose.

Mr. LAVELLE.—I am not very conversant with the Standing Orders, but I have been endeavouring to make myself as conversant with them as possible; and I know that if an honorable member makes a remark which another considers personally offensive, he is called upon to withdraw it. With all due respect, I consider that your remark is very offensive to me. You have said that I had an ulterior motive in submitting my motion.

The CHAIRMAN.—In the first place, the honorable member must withdraw that statement. It reflects upon the Chair.

Mr. BLAKELEY.—Your statement, Mr. Chairman, was distinctly insulting.

The CHAIRMAN.—The honorable member for Darling is again out of order.

Mr. BLAKELEY.—Yes, I know that I am; but I am no more out of order than you are.

The CHAIRMAN.—I name the honorable member for Darling for deliberately disobeying the Chair.

Sir JOSEPH COOK.—I am afraid that for the last hour the honorable member for Darling has been asking to be put out of the chamber.

Mr. BLAKELEY.—You cannot put me out, and I am not going out.

Mr. MAHONY.—The right honorable member knows that even if the motion submitted was out of order, the Chairman could have merely ruled it out of order, without making any comments upon it.

Mr. BLAKELEY.—Yes, it is scandalous!

Sir JOSEPH COOK.—The honorable member is now saying that what the

Chairman is doing is scandalous. I move—

That the honorable member for Darling be suspended from the service of the Committee.

Question put. The Committee divided.

Honorable members of the Opposition declining to act as tellers,

The CHAIRMAN.—I declare the motion carried.

In the House:

The CHAIRMAN OF COMMITTEES.—I have to report that the Committee has passed a resolution suspending the honorable member for Darling (Mr. Blakeley) for disobedience to the Chair.

Mr. SPEAKER (Hon. Sir Elliot Johnson).—The question is: "That the honorable member for Darling be suspended from the service of the House."

The House divided.

Mr. SPEAKER.—I appoint the honorable member for Fremantle (Mr. Burchell) and the honorable member for Boothby (Mr. Story) tellers for the "Ayes," and the honorable member for South Sydney (Mr. Riley) and the honorable member for Werriwa (Mr. Lazzarini) tellers for the "Noes."

Mr. RILEY.—I do not feel too well, Mr. Speaker, and I must decline to act.

Mr. LAZZARINI.—I also decline.

Mr. SPEAKER.—As I understand honorable members of the "Noes" decline to tell, I declare the question resolved in the affirmative. I also take the opportunity of reminding the Committee that honorable members who refuse to tell contravene the Standing Orders, and lay themselves open to suspension or other action by the House.

The honorable member for Darling (Mr. Blakeley) was, therefore, under standing order 59, suspended for the remainder of the sitting.

Mr. BRENNAN.—I rise to order.

Mr. SPEAKER.—The honorable member may not rise to order at the present time. The honorable member for Darling is suspended from the service of the House.

The honorable member for Darling still remaining in the chamber.

Mr. SPEAKER.—I informed the honorable member for Darling that he had been suspended from the service of the House. That was an intimation to the honorable member that he must leave the

chamber. I ask the Serjeant-at-Arms to take the necessary steps to give effect to the order of the House.

Mr. BLAKELEY.—I desire to say that I have——

Mr. SPEAKER.—Order! The honorable member is not entitled to speak.

Mr. BLAKELEY.—I merely desire to say——

Mr. SPEAKER.—The honorable member is suspended, and must leave the chamber.

Mr. BLAKELEY.—This is the first time I have been put out. If this Government——

Mr. SPEAKER.—Order!

The honorable member for Darling (Mr. Blakeley) withdrew from the chamber accompanied by the Serjeant-at-Arms.

In Committee:

The CHAIRMAN (Hon. J. M. Chanter).—The honorable member for Calare (Mr. Lavelle) stated that he was not conversant with the Standing Orders. He evidently was not. A motion had been made that I leave the chair and report progress. That had been defeated, and, under the Standing Orders, could not be moved again until a quarter of an hour had elapsed, and not even then if, in the opinion of the Chair, the motion was made for obstructive purposes. The honorable member for Calare then rose with another proposition, different in terms, but similar in effect, and I declined to take his motion, and asked him to confine his remarks to the question before the Chair, namely, the vote for the Treasury Department. I hope that not only the honorable member for Calare, but all other honorable members, will study the dignity of the Chair and themselves, and allow business to proceed in an orderly way.

Mr. LAVELLE.—By way of personal explanation, I wish to make my position clear to the Chair and to honorable members. I took objection not so much to your ruling, Mr. Chairman, as to your statement that I had submitted my motion for the purpose of obstruction. I assure you and the Committee that that was not my reason. I wished to see justice done to the wheat-growers of Australia by taking steps to have

honoured the promise made to them in the Prime Minister's speech at Bendigo.

The CHAIRMAN.—Order!

Mr. LAVELLE.—The Prime Minister (Mr. Hughes) stated at Bendigo that the farmers would receive 5s. per bushel for their wheat at the railway sidings.

The CHAIRMAN.—I ask the honorable member not to proceed on those lines, but to address his remarks to the vote for the Treasury Department.

Mr. LAVELLE.—I wish to assure you, sir, that I had no desire to delay the passing of the Estimates, but, considering that the wheat guarantee was a matter of more importance, I wished to discuss it in order to insure that the wheat-growers should receive justice.

The CHAIRMAN.—Order!

Mr. CONSIDINE (Barrier) [9.23].—Having listened to the speeches of various members on the items in the Treasury Department the thought occurs to me that the proceedings of this Chamber are becoming more farcical than ever. We have heard a motion of censure submitted, which the Government——

The CHAIRMAN (Hon. J. M. Chanter).—Order! The honorable member may not proceed on those lines.

Mr. CONSIDINE.—Ah right; I will say nothing about the no-confidence motion, but numerous motions have been moved from time to time in the House.

The CHAIRMAN.—The honorable member may not discuss anything that took place in the House.

Mr. CONSIDINE.—If I may not discuss what took place in the House, I shall discuss what took place in Committee. Numerous motions have been moved in Committee which the Government, according to the state of their health, or the atmospheric pressure, or some less important circumstance, ignored, and, for all practical purposes, wiped off the business-paper.

The CHAIRMAN.—Will the honorable member confine his remarks to the question before the Chair?

Mr. CONSIDINE.—The question before the Committee prevents us from dealing with another important question vitally affecting the Treasury. Instead, the time of the Committee is occupied with speeches such as those of the honorable member for Wilmot (Mr. Atkinson),

who is very much concerned about the maternity allowance.

Mr. ATKINSON.—I did not say a word about it.

Mr. CONSIDINE.—The honorable member and others like him are very much concerned about matters connected with matrimony and old-age pensions. I have noticed that most of the discussion on the Estimates is by honorable members who profess themselves anxious for economy, and to test the feeling of the Committee in regard to the reduction of the Estimates. Yet the fact stares us in the face that honorable members on the Ministerial side have the power to do things which they complain have not been done. That applies especially to the honorable member for Wilmot.

The CHAIRMAN.—Order! The honorable member may not discuss the motives of other honorable members. I again ask him to address himself to the question before the Chair.

Mr. CONSIDINE. — I said nothing about the motives of any honorable member.

The CHAIRMAN. — The honorable member was discussing other honorable members, and not the question before the Chair.

Mr. CONSIDINE.—I was discussing the arguments which the honorable member for Wilmot has submitted to the Committee. He has criticised certain actions of the party which he supports. He finds fault with the Government for leaving undone those things which they should do, particularly in connexion with old-age pensions. He advocated a course of action which he claims would have a beneficial effect. It is characteristic of honorable members who sit on the Government side to "beat the air" with speeches of that description, while they retain in power a party which is responsible for the things of which they complain.

The CHAIRMAN.—The honorable member is again transgressing, and once more I ask him to confine himself to the question before the Chair.

Mr. CONSIDINE.—The question before the Chair is the vote for the Treasury, and the honorable member for Wilmot was allowed without being called to

order to discuss the question of old-age pensions. If I may not discuss the items which the honorable member was permitted to discuss—

The CHAIRMAN.—I have not prevented the honorable member from discussing old-age pensions. I have asked him to confine his remarks to the question before the Chair, which is the vote for the Treasury Department. The honorable member will be in order in referring to old-age pensions.

Mr. CONSIDINE.—That is all right. The honorable member for Wilmot mentioned his desire to increase the old-age pensions, and to introduce a contributory scheme, presumably in connexion with a general pensions system. But the honorable member and most of those on the Government side who have voiced these sentiments believe in a contributory scheme for the workers, but make no such suggestion in regard to pensions for high officials like the late Chief Justice, Sir Samuel Griffith. It is then a question of rushing a Bill through for the express purpose of giving some high-salaried official, who has had a good time for a considerable period at a high salary, a retiring allowance equivalent to half his salary; but when it comes to the working classes, the honorable member suggests that they should be forced to contribute something, notwithstanding that they have given the best years of their lives to the building up of the industries and the wealth of this country. I am satisfied that he will get no support from the working men and women of the Commonwealth for any pensions scheme on a contributory basis. The honorable member, in his attempt to criticise the Government on this matter—

Mr. ATKINSON.—I was not attempting any criticism. I was merely asking if they were going on with the scheme.

Mr. CONSIDINE.—The honorable member knows quite well that the present pensions scheme is not based upon a recognition of the right of the men and women, who have given the best years of their lives in the interests of this country, to a subsistence after they are incapable of carrying on as individuals in the community. He knows quite well that, if a man is in receipt of a pension and his wife endeavours to supplement

it by outside work, the pension allowance is reduced to that extent.

Mr. McWILLIAMS.—That is the rotten part of it.

Mr. CONSIDINE.—Yes; but why go on talking pious platitudes about our pensions scheme and the German scheme? Honorable members opposite have the remedy in their own hands. They have the numbers, and they could alter the law to-morrow if they wanted to do so.

Mr. GABB.—But they are not going to do it.

Mr. CONSIDINE.—Of course they are not. They know that, if they do, they will lose the support of those people who are behind them at the present time.

Mr. ATKINSON.—The worst of you people over there is that you always have one eye on the constituents. Even the honorable member is in the same position.

Mr. CONSIDINE.—The honorable member is not quite correct. I have both eyes on my constituents. If it is any crime to look after their interests, then I plead guilty.

Mr. ATKINSON.—It is not the interests of your constituents that you are looking after.

Mr. CONSIDINE.—I can quite understand why the honorable member cannot see this matter from my viewpoint.

Mr. ATKINSON.—Thank Heaven, I cannot!

Mr. CONSIDINE.—Naturally, he is incapable of understanding any reasonable argument; and, therefore, I cannot blame him. He and other honorable members opposite are simply beating the air and occupying the time of Parliament in criticising the Government.

Mr. ATKINSON.—Who has been criticising the Government? I merely asked a question.

Mr. CONSIDINE.—It is not the first occasion on which the honorable member has occupied the time of the House over this question of the maternity bonus and the old-age pensions.

Mr. ATKINSON.—And probably will not be the last time.

Mr. CONSIDINE.—The honorable member has not yet explained why he is so much opposed to the payment of a maternity allowance, although on several

occasions he has taken up the time of the Committee in endeavouring to advance reasons why it should be discontinued. He would be much more in touch with the requirements of the people outside, and especially the working classes, if he occupied himself with urging upon his party and the Government the wisdom of materially increasing these allowances. The honorable member, in common with other honorable members on the other side, mildly criticises the Government, but still allows them to go on. He cannot get away from the fact that he looks at these matters from a different social stand-point.

Mr. ATKINSON.—You are wrong.

Mr. CONSIDINE.—If I am wrong, why does not the honorable member show in what respect I am wrong? He cannot get away from the fact that this scheme is not intended to apply to certain people who have been favoured by chance, or birth, or position, whatever it may be; it is only intended to be applied to the useful section of society.

Mr. ATKINSON.—What scheme are you referring to?

Mr. CONSIDINE.—The old-age pensions scheme. Some time back, the honorable member dealt with the existing law and the social insurance scheme in Germany; but, if he had really studied German industrial insurance, he would have known that it is not on a contributory basis, or, at all events, it was not on that basis before the war.

Mr. GREGORY.—Oh, yes, it is.

Mr. CONSIDINE.—The honorable member is wrong. The industrial insurance law of Germany compelled the employers to form associations and penalize one another in case of accidents. In other words, they made it unprofitable for accidents to occur in any particular industry. If we are to have any alteration in our existing law, I shall favour the non-contributory pensions scheme, because I hold that the men and women who are building up the industries of the Commonwealth are contributing every day of their lives. Honorable members smile sometimes when I rise to speak about Soviet Russia, but I tell them that Soviet Russia is ahead of Germany in regard to this particular matter, and they can, if they like, obtain full information

from the official papers available to them in Melbourne. I have read some extracts from them myself.

Mr. GREGORY.—But how do they pay? In paper money?

Mr. CONSIDINE.—The honorable member can look up *Hansard* for his information. I have quoted the figures.

Sir JOSEPH COOK.—Is it quite a fair thing to discuss a question like this on the Estimates? What good will it do?

Mr. CONSIDINE.—Why did not the Minister pull his own men down when they were speaking?

Sir JOSEPH COOK.—I wish I could. I would like to pull you down.

Mr. CONSIDINE.—The Minister has the matter in his own hands. He should discipline his own supporters. They were allowed to discuss these matters. The Treasurer knows quite well that the present pensions scheme is a disgrace to Australia, and should not be maintained. I am sure he agrees that it calls for radical improvement.

Sir JOSEPH COOK.—I think so.

Mr. CONSIDINE.—I am glad to have this admission from the Minister.

Sir JOSEPH COOK.—I have said so before, and I have been "banged" all over the country by your side for saying so.

Mr. CONSIDINE.—I know of no adverse criticism by this side in regard to any endeavour to increase the old-age or invalid pensions.

Sir JOSEPH COOK.—I am strongly in favour of a contributory scheme of national insurance, so that everybody could claim a pension as a right. If any one wants my opinion, there it is in a nutshell.

Mr. CONSIDINE.—The Treasurer said just a while ago that he agreed with me, but now he says he favours a contributory scheme for national insurance. I believe in a non-contributory scheme for social insurance. The Treasurer, as one of the most important Ministers in the Cabinet, can at least use his influence to see that injustices which occur in connexion with the existing pensions scheme are remedied. I mentioned one injustice a few minutes ago when I pointed out that, if the wife of an old-age pensioner is obliged, by economic necessity, to sup-

plement the income, the pension allowance is reduced by the amount she earns. Surely the Treasurer does not contend that he is powerless to remedy this injustice?

Sir JOSEPH COOK.—I am, under the law.

Mr. CONSIDINE.—Then why does not the Treasurer take steps to alter the law? He has the numbers. We are all too painfully aware of this fact from time to time. I am sure the Treasurer is as anxious—

Sir JOSEPH COOK.—But have you not heard that there is an Economy party in this House?

Mr. CONSIDINE.—I have not seen much evidence of it, at all events, from the Minister's side. Whenever I have complained to the Deputy Commissioner I have been told that the Act prevents what I would like to have done, and, no doubt, the officers are bound by its provisions; but the Ministry and their supporters could remedy the present injustice by means of a short measure.

Sir JOSEPH COOK.—Whenever a short Bill is introduced, members opposite tack to it a whole series of new proposals. I introduced the Notes Bill the other day, and the honorable member for Werriwa (Mr. Lazzarini) tried to tack to it provisions for a huge banking system of an entirely new character.

Mr. CONSIDINE.—The Treasurer knows that if he wished to end the injustice of which I complain, he could do so, and that his proposal would not meet with any obstacle on this side of the chamber. His difficulties would be with his own followers. The answer to appeals such as I am making for an alteration of the law is always that there is not sufficient money. But money can be found for other things. Taxation can be increased and loans can be floated to provide means for other expenditure, yet not for the betterment of the social conditions of the people. When it comes to—

Mr. ROBERT COOK.—Building the Federal Capital.

Mr. CONSIDINE.—The Federal Capital is of little concern to the working men and women of this country, because few of them will ever go there. The honorable member belongs to the Economy party. When it is a question

of increasing the old-age pensions and bettering social conditions, the cry is, "We must economize"; but there is no talk of economy when it is a question of taking part in materialistic wars, involving the sacrifice of life, and the maiming of hundreds of thousands, with a consequent huge debt. Then, the man who talks economy is branded as a traitor and disloyalist. I am glad that, as their intelligence grows, and their grasp of the real state of affairs in society becomes firmer, the people of this country are becoming more and more discontented, and I hope that, eventually, whatever Government may be in power, it will be forced to give the old-age pensioners much more than the paltry pittance which I am now endeavouring to get from the Treasurer. I ask the right honorable gentleman if he will give the assurance that a short measure for the amendment of the law will be introduced? He is silent. He will not promise that the injustices to which I have referred shall be remedied.

Dr. EARLE PAGE (Cowper) [9.51].—I have been waiting for the economists, who profess to be able to show what items could be reduced, to take part in this debate; but, apparently, the Leader of the Country party (Mr. McWilliams) was right when he said that the only way of dealing with the Estimates, with a view to obtaining more economic administration, was to move to reduce them as a whole by a lump sum.

Mr. BELL.—There is not much chance of doing anything to-night.

Dr. EARLE PAGE.—The honorable member for Barrier (Mr. Considine) has just referred to the discontent amongst the industrialists; there will also be much discontent amongst the taxpayers when they realize that some representatives of the people consider, when the Estimates are before them, that the only thing that matters is to get the business done so that they may leave here at half-past 10 o'clock at night. I represent a district where in only one out of four years have the pastoralists, farmers, and cane-growers got anything from their enterprise, but they have been hit up by the war-times profits taxation to such an extent that practically everything they have made has been taken from them. The Treasurer regrets that next year he will not be able to continue that taxation.

Sir JOSEPH COOK.—I have not made any such monstrous statement, nor have I thought such a thing.

Dr. EARLE PAGE.—What proposal has the right honorable gentleman to make regarding the taxation of pastoralists and agriculturists? The experience of our producers should make it patent to the meanest intelligence that, as the honorable member for Robertson (Mr. Fleming) has pointed out, the only fair way of levying taxation on them is to average their returns over a number of years; yet excuses are continually being made for delaying the introduction of that system.

Sir JOSEPH COOK.—No. A system of averaging is to be adopted, and the honorable member's talking will not further its adoption, because everything is being done that can be done.

Dr. EARLE PAGE.—Why is the system being postponed for so long? The primary producer is the only person in the community who is taxed twice.

Mr. FLEMING.—Now that the matter is to be remedied, why complain?

Dr. EARLE PAGE.—Because we have received no definite assurance on the subject.

Mr. RYAN.—The honorable member is suggesting that Ministers are humbugging.

Dr. EARLE PAGE.—So it seems to me. A Commission has been promised, but the matter should have been settled straight off. I should like an assurance from the Treasurer now that before income returns have next to be furnished under the State law, arrangements will be made to prevent the duplication of Federal and State returns. Every country representative and every city member who feels that the residents of the country should not be harassed almost beyond endurance, should take up these matters. Many of the men on the land, who have not had a very great education, tell me that what worries them is not so much the payment of these exorbitant taxes as the extreme care they have to exercise in making their returns, and the fact that, after putting in their returns, they get letter after letter from the Income Tax Commissioner suggesting that they have falsified them.

Mr. GABB.—I call attention to the state of the Committee. [*Quorum formed.*]

Dr. EARLE PAGE.—What is needed is a common sense and practical method of dealing with the question of stock. As the honorable member for Robertson (Mr. Fleming) said, the question should be one of receipts and expenditure. No one but the dairy farmer, or the sheep man, is taxed both on his capital and the product of his capital. A dairy cow, which is really capital, is put down as income at £6 in New South Wales, and £3 in Queensland, simply because the farmer has to include it as part of his income. The butter which is produced from the cow is charged up as income also. The calves are also charged up as income. A sheep is put down at £1 in New South Wales, and 10s. in Queensland, and the wool has to be returned as income for taxation purposes in addition. Capital and income are taxed on every possible occasion. When a drought comes the stock, which has been taxed as income, dies, after costing, probably, hundreds of pounds in an effort to keep it alive. The owner has already paid income tax on it for the previous year, but he is given no rebate. The time has come to stop that state of affairs. It needs no Commission to inform the House, or the Government, or the Income Tax Commissioner, that this thing ought to be stopped.

Sir JOSEPH COOK.—I am sure you could do it at once, although those who have been devoting all their lives to it find it a most difficult thing to deal with.

Dr. EARLE PAGE.—I am in the unfortunate position of holding stock, and I find that in the years when I make losses I have to pay income tax, simply because I happen to have a few calves, where the year before I had a lot of breeding cows, although the value of my stock is hundreds of pounds less. That is not a fair system. It is not applied to men in the city. Those in the city with regular incomes pay infinitely less in income tax than men in the country. On top of that the Government impose a war-time profits tax, which has almost ruined many pastoralists, and has been a scandal and disgrace in its effects on the producing community.

Mr. CORSER.—The city man makes bad debts.

Dr. EARLE PAGE.—But he can put them in as an off-set in his income tax return. It is his actual turnover that he

has to deal with. In the cases I have been speaking of, there is no turnover at all.

The cost of the Commonwealth Stores Supply and Tender Board is put down this year at £1,520. Last year it cost £11,950 to run. The total estimate last year was only £150, but the expenditure reached the figure I have just stated. Cutting down the estimated cost this year to £1,520 is an instance of economy in the wrong place. It is scarcely possible for the work of a Board which is going to be of any value to the Commonwealth Department, in view of the high turnover involved, to be handled for £1,520. It has to co-ordinate all tenders and departmental activities. It must be composed of active and practical men. It would be the best expenditure in the whole Budget to make it a Board of such calibre that it could be trusted to buy largely, and thus save millions. The wisest economy would be to increase the expenditure on it so as to insure quick methods of dealing with big general problems, such as supplies of stationery, galvanized iron, tiles, wire, and so on. If the Board is not efficient, we are better without it.

Sir JOSEPH COOK.—The item explains itself quite well. There was an advance last year for a Trust account, so as to put the Board in funds. Because of that big vote last year, a large amount is not required this year. It is not a matter of economy at all.

Dr. EARLE PAGE.—I am simply asking for information.

Sir JOSEPH COOK.—The information is in the Estimates; it says "To provide temporary credit in Trust Fund, Commonwealth Stores Suspense Account, to be recovered." That is plain enough.

Dr. EARLE PAGE.—I thank the right honorable gentleman for the information.

It is notorious that the cost of living has increased, and its effect should be considered on the position of invalid and old-age pensioners. Many old-age pensioners have been eking out their receipts by a little extra work. Owing incidentally to the increase in the cost of living, the amount they have been able to earn has also gone up a little; but because they are able to earn about £1 a week extra, their

pensions automatically go down. That is simply putting a premium on indolence and loafing. I urge the Treasurer to revise the amount they are allowed to earn, and institute a sliding scale in accordance with the value of money and goods. Surely that is a fairly easy matter to arrange. It has been suggested that it will cost millions.

Sir JOSEPH COOK.—The statement has been made that to allow them to earn another 10s. a week would involve £750,000.

Dr. EARLE PAGE.—If people now enjoying pensions at a certain rate are allowed to earn a little more outside, I fail to see how that can affect the Budget in any way. I urge a reconsideration of the question.

Another matter to which I desire to draw attention is that of the payment of the maternity allowance. In many instances, where the bonus is availed of, it is of no value; but in many others the monetary assistance proves of almost incalculable benefit. I plead that the bonus should be made available to certain women who, at the period of maternity, often have to undergo a great deal of hardship, and who are not now eligible to benefit by the allowance. I refer to the circumstances of women who happen to have been of alien parentage. There are in my electorate numbers of mothers of Syrian extraction. I am confident that their children will grow up as good Australian citizens as any others in the Commonwealth to-day, even though the parents happen to have come from that part of Syria, outside of Lebanon, which was originally French. The granting of the allowance may often mean all the difference in the matter of preparation, or lack of preparation, for maternity.

Mr. RYAN (West Sydney) [10.7].—Upon this item honorable members might reasonably discuss the possibility of the Treasurer meeting the demand for the payment of a guarantee, in connexion with our wheat harvest, amounting to 5s. per bushel, at railway sidings.

Sir JOSEPH COOK.—Sit down! I cry "*Peccari*."

Mr. RYAN.—Does the Treasurer give in? I assure him that this would be a very proper occasion to adopt the course I have suggested.

Sir JOSEPH COOK.—We are going to discuss that matter first thing to-morrow.

Mr. RYAN.—I am glad to hear that, and I take it as an official assurance. So far as I am aware, such a guarantee regarding the course of action projected for to-morrow had not been, to this moment, given the House. It must be obvious that a good deal of the feeling engendered this evening arose from the fact that honorable members had no assurance that the matter of the wheat guarantee would be discussed on the morrow.

Mr. POYNTON.—I talked with your Leader (Mr. Tudor), and he was quite satisfied on the point.

Mr. RYAN.—At any rate, I did not hear any assurance given. There must have been some misunderstanding, and it is unfortunate that feeling should have been aroused when there was no need. This evening's display could have been avoided by the expression of a proper assurance at the right time.

Progress reported.

PAPERS.

The following papers were presented:—

Defence Act—Regulations Amended—Statutory Rules 1920, Nos. 159, 160.

Public Service Act—Promotion of J. F. B. Carroll, Postmaster-General's Department.

ADJOURNMENT.

Motion (by Sir JOSEPH COOK) proposed—

That the House do now adjourn.

Mr. LAVELLE (Calare) [10.11].—The present moment being the first opportunity which I have had for bringing before the House a matter which I would have liked to introduce at an earlier stage—

Mr. AUSTIN CHAPMAN.—We ought to have a quorum.

Mr. LAVELLE.—The honorable member is only here about once in six months, and then only to talk about Canberra.

Mr. HECTOR LAMOND.—Tell the truth once in a while.

Mr. LAVELLE.—You never told the truth in your life.

Mr. SPEAKER (Hon. Sir Elliot Johnston).—Order! I ask the honorable member for Illawarra (Mr. Hector Lamond) to withdraw his statement.

Mr. HECTOR LAMOND.—I withdraw, sir, but the statement of the honorable

member for Calare (Mr. Lavelle) that the honorable member for Eden-Monaro (Mr. Austin Chapman) is never here more than about once in six months, is not accurate.

Mr. SPEAKER.—Order! I am not concerned with the facts of the matter, but with safeguarding the procedure of this House. The honorable member must withdraw without any qualification.

Mr. HECTOR LAMOND.—I withdraw, unreservedly.

Mr. SPEAKER.—The honorable member for Calare must now withdraw his imputation.

Mr. LAVELLE.—I withdraw, so far as the honorable member for Illawarra is concerned. As a matter of fact, I am rather sorry, sir, that you made him withdraw, for I am sure no one takes any notice of anything he says.

Mr. SPEAKER.—Order! I am not concerned with that matter, but with the observance of procedure.

Mr. HECTOR LAMOND.—I ask that the honorable member for Calare withdraw his offensive remark.

Mr. SPEAKER.—The honorable member will please withdraw the imputation which he has made against the honorable member for Illawarra.

Mr. LAVELLE.—If the honorable member considers my statement offensive, I will withdraw it.

Mr. AUSTIN CHAPMAN.—I again call your attention, Mr. Speaker, to the state of the House.

A quorum not being present—

Mr. Speaker adjourned the House at 10.16 p.m.

Senate.

Thursday, 21 October, 1920.

The PRESIDENT (Senator the Hon. T. Givens) took the chair at 3 p.m., and read prayers.

HENLEY ON YARRA.

Senator FAIRBAIRN.—I ask the Acting Leader of the Senate whether he is aware that Saturday next will be Henley day, and that Mrs. Fairbairn and myself will be very glad to see honorable

senators and their wives upon our houseboat during that afternoon and evening?

Senator PEARCE.—Ministers are sometimes asked questions of an embarrassing character, but the inquiry put by Senator Fairbairn certainly does not fall within that category. I am aware of the important engagement to which he has referred, and I am also aware of his well-known reputation for hospitality. I am sure that that reputation alone will be sufficient to guarantee the presence of a quorum upon the occasion in question.

DUTY STAMPS UPON FOREIGN CATALOGUES.

Senator PAYNE asked the Minister representing the Minister for Trade and Customs, *upon notice—*

Will he make the necessary arrangements so that catalogues forwarded from seedsmen and nurserymen in European countries to Australia shall bear in all cases duty stamps similar to those imposed on catalogues from Great Britain?

Senator RUSSELL.—The answer is—

Catalogues of the character referred to are all subject to duty. Provision has been made to enable exporters to pay in advance in England by means of attachable stamps, thus securing prompt delivery of catalogues and avoiding delay at this end.

It does not follow that catalogues not bearing stamps have not paid duty, the practice being to ascertain the weight in any one mail and assess duty thereon, which is paid by the representative of the company in Australia. This, of course, entails some delay in effecting delivery.

TELEGRAPH POLES.

Senator BAKHAP asked the Minister representing the Postmaster-General, *upon notice—*

If, seeing that the stated scarcity of timber for telegraph poles in certain parts of the Commonwealth hinders and renders very costly the extension of telegraph lines, consideration on the grounds of durability and economy has been given to the fact that, in many tropical countries with areas similar to much Commonwealth territory, old lengths of rails no longer suitable for railway purposes are used in place of telegraph poles?

Senator RUSSELL.—The answer is—

Yes, It has been the practice for many years to use old rails for the purpose named, when such a procedure is economical.

JUDICIARY BILL.

Bill read a third time.

NAVIGATION BILL.

Report adopted.

INCOME TAX BILL.

In Committee (Consideration resumed from 6th October, *vide* page 5343):

Clause 4—

(4) Notwithstanding anything contained in the last three sub-sections, the tax payable by any person who—

(a) is not married, has no dependants, and is not an absentee; and

(b) has a gross income of not less than One hundred pounds, or, in the case of a person carrying on business in Australia, has an income from the business which, after deducting from the gross income the deductions specified in paragraph a of sub-section 1 of section 18 of the Income Tax Assessment Act 1915-1918, amounts, together with his income from all other sources in Australia, to not less than One hundred pounds; and

(c) would apart from this sub-section, not be liable to pay an income tax of One pound or upwards,
shall be One pound.

To which Senator EARLE had moved, by way of amendment—

That the House of Representatives be requested to amend the clause by inserting after the word "hundred," in paragraph b of sub-clause 4, the words "and fifty."

Senator EARLE (Tasmania) [3.7].—Since this Bill was last before the Committee a little more than a week ago, I have had an opportunity of learning several things in connexion with my proposal. One is that the Commonwealth is urgently in need of all the revenue that it can obtain; that the present is, therefore, a very inopportune time to propose a remission of taxation; that an amending measure would require to be introduced in another place to give effect to my proposition; and, most important of all, that the whole question of taxation is about to be considered by a Royal Commission which has been appointed to review it in all its ramifications. In these circumstances, I believe it will meet with the approval of honorable senators if I withdraw my proposal. I ask leave to do this reluctantly, because I recognise that a very great number of persons, particularly women who are employed in offices, and who are in receipt of a couple of pounds per week, will be called upon to pay a flat rate of

£1 to the Commonwealth revenue—rather a heavy toll to exact from them. But I entertain the hope that the Commission which has been appointed will take into consideration the position of this particular class of taxpayers, so that in the near future relief may be afforded to it and also to taxpayers with families. I, therefore, ask leave to withdraw my proposal.

Senator GARDINER (New South Wales) [3.10].—I do not wish to oppose—

The CHAIRMAN (Senator Bakhap).—I do not think that the honorable senator will be in order in speaking now. The question before the Chair is whether the Committee will grant Senator Earle leave to withdraw his proposal. There cannot be any debate upon that matter.

Senator GARDINER.—Then I shall object to the withdrawal of the proposal.

Senator GARDINER.—I am objecting because I wish to have the opportunity of discussing this clause.

The CHAIRMAN.—If it is the desire of the Committee that leave shall not be granted the proposal cannot be withdrawn.

Senator GARDINER.—I regret being placed in the position of having to object to the withdrawal of the amendment.

Senator EARLE.—The withdrawal of my amendment will not prevent the honorable senator from discussing the clause.

Senator GARDINER.—I intend to discuss it in such a way that I believe the honorable senator will realize that he is doing wrong in withdrawing it.

The CHAIRMAN.—As the position seems somewhat obscure, I shall put the question again. Is it the pleasure of the Committee that Senator Earle have leave to withdraw his proposal for a request?

Leave granted; request withdrawn.

Senator GARDINER.—I think the Senate is ill-advised in not insisting on an amendment which, I am sure, would have met with general approval.

Senator SENIOR.—The honorable senator cannot discuss it now.

Senator GARDINER.—I can discuss the clause. I am not prepared to deal with two Chairmen of Committees; at times I find one more than enough. I trust that Senator Senior will allow me to get into my stride, and not endeavour to direct me as to the proper procedure.

It is not my intention to discuss the withdrawal of Senator Earle's proposal, but surely in opening my remarks I am entitled to make some reference to it. The view of the honorable senator is that the exemption is too low in the case of those families in our community who find it hard indeed to make ends meet in view of increasing prices. The amendment he suggested was to increase the amount, and thus make the exemption higher.

Senator EARLE.—I was proposing an exemption of £150 instead of a flat rate of £100.

Senator GARDINER.—The honorable senator had in his mind the hardships that are being experienced by individuals who have to pay a flat rate, and I think he has made a mistake in withdrawing his amendment. This Parliament should endeavour to afford some relief to the people whom its members represent. I understand that a Commission has been appointed to inquire into the whole incidence of taxation; but surely we can give relief to the people we represent, because if there is one thing more striking than another, it is the frantic method in which prices are chasing increased wages.

Senator BENNY.—We cannot do it in this Bill.

Senator GARDINER.—I have an idea that, as far as the flat rate is concerned, Senator Earle's amendment would have done it. Our Income Tax Act, which is renewed year after year, imposes certain taxation rates; and it must be admitted that £100 is worth, approximately, £50 as compared with the time when the present exemption was fixed. Generally, our exemption is too low, and the working classes of this community are paying more than their fair share of taxation. The man who is paying a big income tax directs attention to the enormous sums he has to contribute; but we have to realize that the worker, in proportion to the income he receives, pays quite ten times more. If he is a smoker, he is compelled to pay an exorbitant tax on tobacco; and if he consumes spirits, he also has to contribute an extraordinary tax. A few "wowzers" like myself avoid both taxes, which have to be met by those who enjoy the luxuries I have mentioned. Almost everything that is consumed is heavily taxed through the Customs De-

partment, and many useful and necessary commodities cannot be purchased by many, owing to the prohibitive Customs duties imposed. I have seen the statement that a number of imported Italian hats that came to Sydney had to be returned to the country in which they were manufactured, because of the methods adopted by the Customs Department in dealing with the rate of exchange. The same applies to the goods coming from France, and the Government are increasing the cost by imposing heavy Customs duties, which bear very heavily upon the working classes. The working man with a large family has to contribute more to the revenue of the country than the one with a small family.

Senator DUNCAN.—Would the honorable senator tell the men at Yarraville that preference should be given to imported hats?

Senator GARDINER.—I do not think the interjection has much weight, because for many years I have been endeavouring, as far as my powers will permit, to show that the bulk of the Customs duties are paid by the working classes. I have endeavoured to show how the huge Customs duties compare with the light income tax paid by those who own the wealth of this country. The financial situation is so grave that I would not object if salaries were limited to £500, and the Government confiscated all above that amount.

Senator DUNCAN.—And the honorable senator voted for our salaries to be increased to £1,000.

Senator GARDINER.—The Government which the honorable senator supports introduced that proposal when I was not present, but had I been here I would have voted for it.

Senator PRATTEN.—The honorable senator once suggested that all above £300 should be confiscated; but now he has raised the amount to £500.

Senator GARDINER.—In the days when I advocated that policy £300 would purchase what it now requires £500 to purchase. If this Parliament is not prepared to relieve those people who are so hardly pressed in the matter of income tax, some drastic method is needed by which the wealthy section of the community shall pay in proportion to the income they receive. As far as hat makers, boot manufacturers, and sugar producers are concerned, I shall take the opportunity, when

the Tariff is under consideration, of proving that the working classes, who are making fortunes for the factory-owners, are contributing more than their fair share.

Senator CRAWFORD.—They are getting cheap sugar.

Senator GARDINER. — Yes, at 6d. per lb. If we assume that by imposing duties we prevent the outside producer competing with the local man, and say that the local producer increases the price of his produce to the level of the outside producer, plus the tax, we have paid £19,000,000 to the sugar-producing companies.

Senator CRAWFORD. — The wage-earners have received 80 per cent. of that.

Senator GARDINER.—I am glad to learn that the workers have got something out of it.

Senator PEARCE. — Why does not the honorable senator reserve this discussion until the Tariff is under consideration?

Senator GARDINER.—I am afraid I shall die of old-age before I have that opportunity. It is the duty of this Parliament to relieve that section of the community which has so little money with which to pay income tax of the responsibility of paying it, and to place the burden on the shoulders of those who can afford to bear it. Therefore, I protest against the withdrawal of Senator Earle's proposal. It would have conferred great benefit, not only on the community as a whole, but also on the Government. In times of serious financial circumstances, my idea of good government is that we should have as few discontented and dissatisfied people as possible in our midst. One way in which we can achieve that object is by removing any source of hardship or of irritation. Apart altogether from the obligation to pay income tax, it is most irritating for people who have but a paltry sum to pay to be obliged to fill in income tax returns; and as Senator Earle's proposal would have removed that source of irritation from a large number of people, I believe the Government would act wisely in adopting his suggestion. The New South Wales Government have brought their income tax exemption into line with the living wage standard of £4 5s. per week for a man with a family, as fixed by the Board of Trade, but the Federal Government have not done anything in the same direction, or at any rate, if

it is their intention to do anything in the matter, they are extremely slow about it, and in the meantime this irritation continues. We have the spectacle now of a man employed in the Postal Department, and drawing from the Federal Government £3 14s. per week, working side by side in any part of New South Wales with a man drawing a minimum wage of £4 5s. per week. That is not fair to the Commonwealth employee. I know that our officials can apply to the Arbitration Court to get the increased wages, but an application to that tribunal takes considerable time, and in the meantime the landlord, the butcher, and the baker keep calling to collect their rent or bills. Post Office officials, with twenty years' and thirty years' service, are not drawing the minimum living wage as laid down by the Board of Trade in New South Wales. They are most patient and forbearing, but it does not tend to good administration or to the securing of good service from Commonwealth employees, when they are treated so unfairly by being paid a wage which is less than a living wage, and when on top of all this Parliament imposes an income tax which still further reduces their scanty earnings. I hope that the Government will be well advised in this matter, and that the next Income Tax Bill they bring down will exempt from the payment of the tax those persons who are not in receipt of a living wage.

Senator PEARCE (Western Australia.—Minister for Defence) [3.25].—I think that all honorable senators will agree with a great deal of what Senator Gardiner has said. As a matter of fact the Treasurer (Sir Joseph Cook) has already announced that the Government look with a favorable eye on the proposition to increase the exemption as set out in the Income Tax Assessment Act. But the returns for incomes earned last year have already been furnished to the Taxation Department, and on them the tax imposed by the Bill now before the Senate will be collected. Before the next returns are due there will be ample opportunity for the Government to submit to Parliament fresh proposals in this matter and avoid the hardships pointed out by the honorable senator. The Government recognise that there are many defects in the incidence of our taxation, and for that reason have appointed a Royal Commission. Another

important factor to be taken into consideration is the expiry by effluxion of time of the war-time profits tax, and, in framing future proposals for taxation, a matter to be taken into consideration will be whether the people who are now taxable under the war-time profits tax are to escape further payment of taxation in this direction, and, if so, to what extent. All these matters the Royal Commission will investigate and report upon; but, before the next income tax returns are due, there will be ample time for them to do so, and for the Government to take action upon their recommendations.

Senator PRATTEN (New South Wales) [3.28].—I have a considerable amount of sympathy with the effort made by Senator Earle to do something in the direction of raising the exemption under the Income Tax Assessment Act, and I have noted Senator Gardiner's sympathy for the main principle, which we have previously attempted to carry out in this Senate, but an actual examination of the income tax figures show that the incidence of the tax falls on the shoulders of the wealthy. I want to remove from Senator Gardiner any illusion he may have that these smaller incomes bear anything like the proportion of the tax which is paid by the larger incomes. The latest figures issued by the Taxation Department are for the taxable year 1918-19, and it is surprising how little of the aggregate of the income tax paid is actually derived from the smaller incomes. There are 388,000 assessed incomes throughout the Commonwealth, which paid during the year under review the total of £10,820,000. These figures dissected show that, although 388,000 taxpayers paid in income tax £10,820,000, there were 282,000 taxpayers who paid in all under £500,000, or something over £1 per head. In other words, over 70 per cent. of the total assessed incomes throughout the Commonwealth paid under 5 per cent. of the total tax gathered, while under 30 per cent. of the higher incomes paid 95 per cent. of the whole income tax assessed. These figures should, I think, disabuse Senator Gardiner of any illusion he may have that the smaller incomes are paying anything like a reasonable portion of the income tax. I want to stress the fact that 70 per cent. of the incomes assessed throughout the Commonwealth pay under 5 per cent. of

the total tax gathered. It is obvious, therefore, that the wealthy taxpayers are bearing a very great burden; and, while I am sympathetic towards the suggestion that the exemption should be raised, and that married men should be placed in a better position than at present, I must say there is a good deal of force in what Senator Pearce has said, that there are many other inequities in connexion with the income taxation that we want righted. I am as strong as any other honorable senator in the matter of making the rich pay by placing the burden of taxation upon the shoulders of those best able to bear it; but it seems to me that we have nearly done that already in connexion with the Bill before the Committee.

Senator PAYNE (Tasmania) [3.33].—I would not have troubled the Senate at all in connexion with this Bill, but for the statements that are made so often by public men throughout the Commonwealth, and which certainly lead people to believe that the workers are called upon to pay a very much heavier share of taxation than are those in happier financial circumstances. This impression has grown to such an extent that it is met by public men on every platform. I have taken the trouble to look at the details since Senator Gardiner spoke this afternoon, and I find that, while Senator Pratten proved conclusively by his analysis of percentages that the heaviest burden is levied mainly on those who are best able to bear it, the Budget-papers which are in the possession of all honorable senators take the matter a little further. On page 20, honorable senators will find certain facts which cannot be given too frequently to the people. The last figures are for the year 1918-19, and show that the total income tax collected from individuals—not from companies—was £8,747,903, while the amount received from those whose incomes were under £200 per year was £476,000; and from those with incomes from £200 up to £500 a year, £549,000; or a total of £1,000,000 from incomes up to £500 a year out of the total amount of £8,747,000 received by the Treasurer. These figures demonstrate that the bulk of the burden has been placed upon the shoulders of those best able to bear it. Much as one would like to raise the exemp-

tion just now, and to make further concessions, one cannot help feeling that, as every adult person has the same power in regard to the election of representatives to this Parliament, so should every adult individual be called upon to bear some portion, no matter how small, of the financial responsibility of the Commonwealth. In view of the stringency of our financial position, and considering all things, we ought to compliment ourselves upon the fact that it has not been necessary to increase the burden to any appreciable extent upon the smaller wage earners of the Commonwealth. Senator Gardiner this afternoon quite properly pointed out that the man in receipt of £4 per week now is in no better a position than a man who received £2 10s. per week a few years ago. We all grant that. The £1 sterling is not worth so much as it was a few years ago. But we may also apply the same argument to the amount of tax paid. If the purchasing power of £1 is only about 10s. as compared with its purchasing power a few years ago, then £2 paid in income taxation to-day is really only worth £1 to the Department. Let me repeat that in 1918-19 taxpayers in receipt of incomes up to £200 a year paid £476,000; those with incomes from £200 up to £500 a year, £549,000; those with incomes from £500 up to £1,000, £767,000; and those with incomes of from £1,000 to £10,000, £4,250,000.

Senator SENIOR.—But you must divide that amount by two, according to your reasoning.

Senator PAYNE.—I am not reasoning at all. I am simply making a plain statement of the facts.

Senator FAIRBAIRN (Victoria) [3.39].—I was pleased to hear that the Government propose to lighten the load of taxation upon the married man, because he is the individual who deserves consideration, as owing to the increased cost of living, he finds it very difficult indeed to keep going if he has a family of little ones. I am glad Senator Gardiner is present, because some time ago he made a statement that all incomes over £300 should be paid into the Treasury. Now he has jumped the figure up to £500 a year. If every income over £500 a year was nationalized it would be a really lost, because nationalized, and if the

cost of living should rise to £1,000 a year, where would the people be? Would they have to starve? If the limit fixed was £300 per year, and the cost of keeping oneself was £500, while everything over £300 a year was nationalized and poured into the coffers of the Government, how would people live in the circumstances? If we nationalized at £500 per year, and the cost of living rose to £1,000 a year, as it very well may—it is far ahead of that in Russia—people would have to starve.

Senator CRAWFORD.—Nobody would attempt to produce more than £500 worth.

Senator FAIRBAIRN.—Then the cost of living would go up in consequence. That ought to be pointed out as one of the economic unsoundnesses of Senator Gardiner's argument. I wish to back up what Senator Pratten said. There is always talk of putting the burden on the shoulders of those best able to bear it; but Senator Pratten has shown that those shoulders are carrying a very fair load already. The top rates of Federal and State income taxes in Queensland amount to 11s. 6d. in the £1. If a man is engaged in pastoral pursuits, his lambs are treated as income. In order to pay the tax, he has to turn them into cash. If he keeps them, they may die. Not only 11s. 6d. in the £1 of the money of a good many of these people has gone in income tax, but the whole income—every farthing of it—went last year. I do not want people to rely too much on those shoulders, which are always supposed to be so well able to bear the burden, carrying much more. When we reach 11s. 6d. in the £1 we get to the top of our curve. We have an extraordinary system of income taxation called the curve system; 8s. 6d. in the £1 is about the top of the curve. If we proceed further, we go along on a straight line. That is the highest rate, because, if we went up to 10s., it would be found that the man with £8,000 a year was poorer after paying his income tax than the man with £5,000 a year. If we went up to 19s. in the £1, it would be found that he was below the line altogether, because we should have taken practically the whole of his income. The curve system is very difficult to follow. I wish we still had the old straight-out system that acted so well in all other parts of the

world. I have put these considerations forward, because it is always as well to consider both sides of a question. All honorable senators are agreed that in times like this we must pull together. We do not want any section of the community to think they are badly treated. I remember the late Sir Philip Fysh years ago analyzing the Customs duties, and showing that if a man was really hard up, he did not require to pay any indirect taxation through the Customs. All cotton goods and flannelette goods, for instance, were absolutely free. Of course, he might want luxuries, like beer and tobacco. We ought to grow, and I think will grow, our own tobacco here before long.

Senator GARDINER.—I am amused at your calling beer and tobacco luxuries.

Senator FAIRBAIRN.—They are generally considered to be luxuries. They pay a great deal of the revenue. If people, unfortunately, had to avoid the payment of any duties through the Customs, they could do without beer and tobacco. I hope that will never be necessary for anybody. I should like to see people have plenty of money, so that they could buy a drop of beer and tobacco whenever they wished. Still, if they could not afford those things, they could possibly do without them. The Tariff, as a whole, has been so adjusted that poor people need pay nothing under it. When Mr. J. C. Watson was Prime Minister, he insisted on having no duty on anything that was indispensable for the wear of poor people; and I think the bulk of the community agreed with that view. That is how the Tariff was, to a great extent, constructed, and I hope that is how it will continue to be constructed.

Senator GARDINER (New South Wales) [345].—Senators Pratten, Fairbairn, and Payne speak as if the wealthy man, who actually fills up the return and sends in the money for the income tax, pays it, although they know very well that he does not. He increases his business profits, and makes the workers pay. No one knows that better than does Senator Pratten. He is out of business now, and can admit it.

Senator PRATTEN.—I do not know anything about it.

Senator GARDINER.—He would be a very poor business man who, finding that

he had to pay £100 more in income tax this year, did not lay himself out to increase the price of the goods he was selling sufficiently to cover it. Under the present system, the workers pay most of the increase. Senator Fairbairn twitted me with suggesting the raising of the exemption, not only to £300, but to £500. That is in proportion to the way in which his Government increased my earnings.

Senator PEARCE.—According to your argument, we ought to take the taxes off the wealthy so as to benefit the workers.

Senator GARDINER.—I wish to let the wealthy section of the community, who will not meet their obligations, know that, when this Parliament imposes a tax on them, they must not pass it on to the shoulders of those beneath them.

Senator WILSON.—How would you increase production?

Senator GARDINER.—The honorable senator believes, with Senator Crawford, that production would cease if we took such action. They belong to the go-slow section of the community. They argue that capital will not work or undertake production unless it gets its last ounce of profit. I believe capital would draw out, but where would it go? Would it go to Italy? Would it rush to Great Britain? There is no country in the world which offers such safe and sound investment for capital as Australia does. When I say a limit should be fixed, and that all profit over and above it should go into the public treasury, I do not mean that that should be done for all time. It should be done to meet the grave emergency with which we are, and will be, confronted. If we could face it boldly, and decide to square up the finances of Australia within about five years, we would glide into a smooth sea, with open sailing ahead of us. We should enter an era of prosperity that Australia never dreamt of. But we will not face the emergency.

Senator CRAWFORD.—Will the Labour Government of New South Wales put your ideas to the test?

Senator GARDINER.—I have no doubt they will do as the Queensland Government have done—make New South Wales the best place in Australia for the working man. In Queensland, in 1915, the State Parliament was

country with a membership of forty-eight Nationalists and twenty-four Labour men. In 1920, it again went to the country, and thirty-eight or forty Labour men were returned, as against twelve Nationalists. I mention those figures to show how the Queensland Government's methods of taxation are appreciated.

Senator REID.—You forget the other party, which is on the same side as the Nationalists.

Senator GARDINER.—I did not mention the Country party, because it was not in the first appeal, and, therefore, I could not draw a parallel.

The Federal Government, without giving Parliament a voice in the matter, have enormously increased the taxation on the shoulders of the workers by their Tariff proposals. They are putting taxes on in that way, although Parliament has not approved of them. In the circumstances, we can well lift the income tax from the shoulders of those whose living wage does not reach the standard set by the Board of Trade in New South Wales. If honorable senators have any doubts about the wealthy conditions in which many people live, I advise them to go to Flemington on the 2nd November. They will see there that many people revel in untold wealth and luxury.

Senator WILSON.—There will be as many members of the honorable senator's party there as there will be members of other parties.

Senator GARDINER.—Of course. There will be many persons present who possess splendid motor cars, and beautifully attired women will parade the lawn. The workers' share in this gorgeous show will be to pay for it. Senator Fairbairn could not help referring to spirits and beer as the "luxuries" of the working classes. Just imagine classing these things as "luxuries," when every day one may see wealth flaunted in the face of poverty, and, indeed in the face of our own debts. Look at the enormous tax which the working man pays upon tobacco. His smokes consist of about four-fifths tax and one-fifth tobacco.

Senator CRAWFORD.—Most of the workers look very happy whilst they are doing it.

Senator GARDINER.—They smile, notwithstanding that they are always

upon the brink of poverty. As I do not indulge in the so-called luxuries of spirits and beer, I do not pay Customs duty upon those articles.

Senator PRATTEN.—Is not the paying of duty upon those articles a voluntary act?

Senator GARDINER.—It is voluntary in the same sense that every other act is voluntary. We are all free men. A man is not obliged to accept the wage which he is offered. He may refuse it and starve. But why place such an enormous duty upon tobacco? Simply because it is an article which is in general use amongst the working classes, and thus affords an easy means of collecting revenue.

Senator WILSON.—Smoking is a bad habit.

Senator GARDINER.—It is an excellent habit. I am not going to say that it is a bad habit because I do not indulge in it.

Senator WILSON.—I say that it is, and I do indulge in it.

Senator GARDINER.—If we prevent the working people of this country from obtaining some little measure of enjoyment we shall certainly precipitate a serious crisis. In Russia the authorities prohibited the sale of spirits, and a revolution followed within twelve months. Similarly if we wipe out the liquor traffic in Victoria I shall cease to advocate the removal of the Seat of Government to Canberra, because the revolution will come very quickly. However, I think that I am becoming too general in my observations.

The CHAIRMAN (Senator Bakhap).—Much too general.

Senator GARDINER.—I interpret the remarks made by Senator Pearce to mean that, before we are called upon to deal with the next Income Tax Bill, provision will be made for the very things to which we have directed attention. Figures which have been quoted by Senator Pratten convincingly show that the average income tax paid by 250,000 persons in the Commonwealth is about £1. Thus a very large number of people are obliged to fill in returns, notwithstanding that they make only a very small contribution to the revenue.

Senator WILSON (South Australia) [3.55].—I think that we might well simplify the taxation schedules which the public are at present asked to fill in.

There are few business men to-day who do not pay to accountants, or to members of the profession to which Senator Benny belongs, a considerable percentage on what they contribute by way of income tax, for the assistance which they require to enable them to furnish these schedules. The details which are demanded from the taxpayer are altogether too absurd and too far-reaching.

Senator RUSSELL.—I have seen people make up their returns upon plain paper, in a perfect fashion, and then transfer the details to the printed schedule.

Senator WILSON.—If the Vice-President of the Executive Council (Senator Russell) can explain to anybody else the formula of the present income tax schedule he must be possessed of more brains than I have. We have an excellent body of officers managing our Taxation Department, because they are able to make so many of us pay more than we desire to pay. With regard to the exemption proposed in the case of single men and single women, I think that there is no class in the community which is more fitted to pay its quota to taxation than is this class. I hope that the Taxation Commission will not recommend that these people shall be afforded any relief from taxation. Senator Gardiner has spoken about the advisableness of placing taxation upon the capitalistic class and upon industry and manufactures. To my mind, there is nothing that will stop our progress more effectually than will an abuse of our powers in the direction of imposing practically the whole burden of taxation upon the shoulders of the capitalistic class. That class has a right to contribute its quota. But when my honorable friend says that he would confiscate all incomes in excess of £500 per annum I cannot think that he is serious, because he himself is in receipt of more than that amount.

Senator DUNCAN.—But the statement sounds well.

Senator WILSON.—It is catchy, but it is not effective. I believe that the people who are best able to bear taxation should pay their full quota to the general revenue. But, as a matter of fact, the capitalistic class is already carrying its burden nobly and well. When Senator Gardiner says that its members should bear the entire burden of taxation, I ask him, "What would be the position of this country if they were to pull their

capital out of industry, or if those who are ambitious were told by the Legislature that all income derived by them in excess of a very limited sum would be confiscated?"

Senator GARDINER.—Seeing that in war time the honorable member would have compelled men to die, surely in peace time he ought to be prepared to compel the capitalists to pay?

Senator WILSON.—Thank God I did not compel any men to die, although I recognised that many men died for the honorable senator and myself. However, that has no relevance to the present discussion. We wish to see Australia progress, and she can progress only by means of her secondary industries. If taxation be unnecessarily imposed upon those industries, unquestionably we shall suffer. Senator Gardiner has spoken of the way in which the Tariff affects the working classes. But who is a better working man than the producer? He does not work eight hours a day, but fourteen and sixteen hours. Upon every machine that he uses he is required to pay an enormous duty.

Senator GARDINER.—Why should he do so?

Senator WILSON.—Because he is obliged to do so.

Senator GARDINER.—Let him acquire the power to work the land cheaply and he will soon be wealthy.

Senator WILSON.—Why, in Queensland at the present time men are being paid up to £2 10s. per day for cutting cane. In these matters we have to get back to the very foundation, which is the cost of production. The cost of production has increased to a very large extent because of the high wages which are being paid in our various industries.

Senator GARDINER.—It is the result of a stupid protective policy.

Senator WILSON.—It is more the result of the slowing-down policy. The sooner we get back to the principle of a fair day's work for a fair day's pay, the sooner we shall get back to normal conditions. I recognise the necessity which exists for taxation. But at the present time the filling in of our taxation schedules constitutes a veritable nightmare to 75 per cent. of our people. Those schedules, I repeat, should be very much simplified.

Clause agreed to.

Clauses 5 to 9 and schedules agreed to.

Bill reported without request; report adopted.

THIRD READING.

Motion (by Senator PEARCE) proposed—

That this Bill be now read a third time.

Senator PRATTEN (New South Wales) [4.4].—I desire to say a few words upon this Bill in order that a record may be made, perhaps for the information of the Taxation Commission and also for the information of the Ministry. It will probably be remembered that the consensus of opinion in this Chamber is that some relief from taxation should be afforded single men and women, married men and women, and married men with families, by raising the exemptions and allowances. The view has been expressed that the married man, in regard to children whom he has wholly to maintain, should occupy a much better position than he occupies to-day. But there are constitutional difficulties connected with any action which the State may take in regard to these matters. I believe the constitutional position is that taxation Bills are sent to this Chamber in two sections. One is a Bill which imposes the rate, which we cannot amend, and the other provides the various ways of collecting the tax. This is merely a rating Bill, unaccompanied by an assessment Bill, which can be amended here, and consequently, if an amendment had been placed in this rating Bill, the constitutional position would have gone against the Senate.

I was pleased to hear the Minister in charge of the measure (Senator Pearce) say that the Ministry was very sympathetically considering the position of those income tax payers who were in low categories, and more particularly the position of married men with children under sixteen years of age whom they were wholly supporting. I have been placed in a most difficult position in connexion with my viewpoint of the whole ambit of this Bill. I am not altogether in favour of increasing the income tax by 5 per cent.; but it must be generally admitted that the financial position all over the world is going from bad to worse. I am very doubtful whether the fair and reasonable estimates made by the Treasurer (Sir Joseph Cook) a month or two ago are likely to pan out, and consequently it is very dangerous for this Chamber at this

juncture to consider a remission of taxation in view of the possibility of financial complications in the not distant future. I have expressed my personal opinion in this Chamber more than once, that during the years of war this Parliament, as a Parliament, had not faced up the taxation that was necessary, and, as a result of that, I am afraid the people of the Commonwealth will have to pay more taxation after the war than they will care to contribute. We are in a very different position to even the British Government. I came across a few figures in connexion with this matter, which may be of assistance to honorable senators and others. The cost of the Napoleonic wars to the United Kingdom was £831,000,000. Of that total the amount raised by taxation was 47 per cent., and consequently the amount raised by loan was 53 per cent. The cost of the Crimean War to the United Kingdom was £67,500,000. The amount raised by taxation was 53 per cent., and that raised by loan 47 per cent.

Senator PEARCE.—Not during the currency of the war.

Senator PRATTEN.—I am referring to the period of the war. The Boer War, which lasted three years, cost the United Kingdom £211,000,000. The amount raised by taxation represented 32 per cent., and that raised by loan 68 per cent. The cost of the Great War to the United Kingdom, which lasted five years, was £10,656,000,000. The amount raised by taxation represented 32 per cent., and that raised by loan 68 per cent. I ask honorable senators to compare those figures with what we have done in Australia.

Senator ROWELL.—Do those figures include money loaned to other nations?

Senator PRATTEN.—Yes, because, if the money loaned to British Dominions and our Allies is not included, the amount raised by taxation for the cost of the Great War would be increased from 32 per cent. to 38 per cent., and the amount raised by loan would be diminished from 68 per cent. to 62 per cent. I want honorable senators to contrast this position with the one in which Australia is to-day. We have not done anything like that in connexion with war costs and taxation, and I am using these figures as an argument to show why the present Budget should not be interfered with by diminishing the revenue, and why it should be increased.

I would like to record for the information of honorable senators the particulars contained in an estimate I received from the Income Tax Department by the kind permission of the Treasurer, in connexion with the exemption of single and married men, as well as the allowances for children. It will, I think, be of some information to the Royal Commission on taxation, which is now arranging its preliminary work prior to considering the whole incidence of taxation. It will also show what could reasonably be done in connexion with our income taxation for next year. The Department says that the total amount allowed for the year 1919-20 as deductions from income for children, namely £26 for each child, was £7,000,000. Obviously, then, if £7,000,000 is divided by twenty-six there are approximately 270,000 children, wholly maintained by the taxpayers, who come within the ambit of income tax deductions. If an exemption of £39 were allowed for each child, the loss of income from the field of taxation would be £10,500,000, including the £7,000,000 mentioned, with a consequent loss of tax of £125,000. If an exemption of £52 were allowed for each child the loss of income would be £14,000,000, including the £10,500,000 mentioned, with a consequent loss of tax of £260,000, including the £125,000 mentioned. In regard to the point raised by Senator Earle in relation to the minimum tax of £1, I may explain that if the section which at present imposes that tax were repealed the loss would be £65,000. If the section which at present gives some persons a diminishing exemption of £100 were repealed, and a general diminishing exemption of £156 were allowed to all persons, the loss of tax, including the £65,000 mentioned, would be £160,000. If a diminishing exemption of £200 were given to all persons, the exemption decreasing by £1 for every £3 of the excess over £200, the loss, including £160,000, would be £430,000. If a diminishing general exemption of £250 were given to all persons, the exemption decreasing by £1 for every £3 of the excess over £250, the loss, including the £430,000 mentioned would be £750,000. I believe these figures will be interesting to honorable senators, particularly in connexion with their consideration of the position which, I think, the Minister has half promised will arise in connexion with an

Senator Pratten.

endeavour to relieve married men who are supporting children under sixteen years of age. I make these remarks largely for the purpose of recording them, and so that a consideration of the position in the not distant future will be somewhat easier in view of the official figures I have given.

Question resolved in the affirmative.

Bill read a third time.

SPECIAL ADJOURNMENT.

Motion (by Senator PEARCE) agreed to—

That the Senate, at its rising, adjourn until Wednesday, 3rd November, at 3 p.m.

SELECT COMMITTEE: SENATE OFFICIALS.

Debate resumed from 14th October (*vide* page 5641), on motion by Senator DE LARGIE—

1. That a Select Committee be appointed to inquire into and report to the Senate on the question of the position of the officials engaged in and about the Senate, and the working of the Public Service Act so far as it concerns officers controlled by the Senate or Committees of the Senate.

2. That the Select Committee consist of Senators Senior, Duncan, Reid, Earle, Drake-Brockman, Elliott, and the mover.

Senator DE LARGIE (Western Australia) [4.18].—It is not my intention to speak at length at this juncture, because I believe I have clearly and fully explained my object in moving the motion. Even if I had not spoken at all the motion clearly expresses my intention. We must recognise that there has not been an inquiry into this matter during the twenty years Parliament has been in existence, and, apart from any matters that may have arisen recently, when a system has been in operation for twenty years it is not unreasonable to request that inquiry should be made to ascertain whether it is working smoothly or not. I have already shown that the present arrangement is unsatisfactory, and I have no desire to enter into the personal aspect of the question. It is, however, apparent to many that friction exists between certain Committees and the Presiding Officer in this Chamber. I pointed out what had happened in the Library Committee, and I know that friction is occurring in the House Committee. The members of these

Committees are somewhat confused as to what their duties and functions are. They do not understand how far they can go in certain directions. There is a collision of opinion between the Presiding Officers and the members of the Committees. For twenty years past, these Committees have been performing certain duties on precedents clearly established by the Presiding Officers of this Chamber and another place, and adhered to by all Presidents and Speakers with the exception of Senator Givens, who has seen fit to dispute them. It is only right, therefore, that a Select Committee should be appointed to find out if there is anything wrong with the practice that hitherto has worked so smoothly, and whether any reason may exist for certain changes which have been proposed. Such an inquiry would be in the interests of the proper working of the Senate, for there can be no prospect of securing harmony while disputed opinions prevail. In any case, the inquiry would be not so much into the position of the Committees I have mentioned as into the working of the Public Service Act as applied to Parliament. It is the provision of that Act which prescribes that certain duties are to be performed by the President and Speaker that has caused all the trouble.

When submitting the motion for the appointment of the Select Committee, I made a mistake in attributing to Senator Givens a certain action. The matter was certainly too trivial to justify the amount of time the President spent in referring to it. I claimed that he had made a written protest to the Library Committee in regard to the manner in which it was carrying out its duties. I found out afterwards that it was a verbal protest, but from the way in which he reiterated his assertion that he had never written to the Library Committee, I began to doubt whether he had submitted any protest at all. However, he concluded by admitting that he had made a verbal protest. It was quite unnecessary for him to quibble about the matter. I had heard the minutes of the Library Committee read containing the President's protest against the action of the Committee in doing what the members of it thought they had a perfect right to do, and I had gathered the impression that it was a written protest. It makes little dif-

ference whether it was written or spoken. At any rate, the Joint Library Committee immediately proceeded to do what it had been doing for the last twenty years, and that was to control the officers in the Library, and deal with the question of their employment in a way which was quite in conflict with the President's protest, which was treated as the Irish doctor proposed to treat pneumonic plague—with contempt. Speakers Holder, Carty Salmon, and McDonald had all carried out their duties as Chairmen of the Joint Library Committee on lines already laid down by precedents, and there could be very little doubt indeed that, on this occasion, the members of that Committee were acting in accordance with well-established practice.

Senator Givens declares that my motion is for the appointment of a Committee to inquire into other Committees. It is nothing of the sort. It is simply a proposal to hold an inquiry into the workings of the Public Service Act. I know that recently a change has come over the scene, and that the President has adopted a certain attitude which is indicated in the letter which he proposes to have printed recommending that the control of the officers of Parliament in regard to classification and salaries should be undertaken by the Public Service Commissioner. That is a matter which should be left to the decision of Parliament. At any rate, the President should have consulted the various Committees who have in the past exercised this control, before tabling the letter. So far as I am aware, neither the House Committee nor the Library Committee was consulted in the matter. In any case, if he did not think it worth while to consult the Committees, Parliament should have been given an opportunity to express an opinion before any action was taken by him. The Select Committee I propose will have the opportunity of collecting evidence and placing a report before the Senate, and then it will be for honorable senators to say whether they have sufficient information before them to guide them in coming to a decision upon the necessity for any alteration of the Public Service Act in respect to the control of officers of Parliament.

Question—That the motion be agreed to—put. The Senate divided.

Ayes	9
Noes	8

Majority	1
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AYES.

Benny, B.	Plain, W.
de Largie, H.	Pratten, H. E.
Gardiner, A.	Senior, W.
Keating, J. H.	Teller:
Payne, H. J. M.	Reid, M.

NOES.

Bakhap, T. J. K.	Pearce, G. F.
Crawford, T. W.	Russell, E. J.
Fairbairn, G.	
Foster, G. M.	Teller:
Glasgow, Sir Thomas	Foll, H. S.

Question so resolved in the affirmative.

Motion (by Senator DE LARGIE) agreed to—

That the Committee report to the Senate on 24th November.

ADJOURNMENT.

ORDER OF BUSINESS.

Senator PEARCE (Western Australia—Minister for Defence) [4.37].—In moving—

That the Senate do now adjourn.

it would be as well that I should indicate the course of business so far as we can foresee it. As honorable senators will have noticed, another place has been dealing with the Estimates, and, as most of the Bills there are measures that have already been passed by this Chamber, there is not much probability of further legislation coming up to us from another place during the fortnight over which we shall adjourn. It is hoped, however, that honorable members elsewhere will have dealt with one or two Bills in the interim, and that, when we re-assemble on the 3rd November, we shall have some measures, including the general amendment of the Public Service Act, to introduce into this Chamber. We shall then have enough business to keep us going, and may be able to indicate the time for the adjournment over Christmas.

Question resolved in the affirmative.

Senate adjourned at 4.39 p.m.

House of Representatives.

Thursday, 21 October, 1920.

Mr. SPEAKER (Hon. Sir Elliot Johnson) took the chair at 2.30 p.m., and read prayers.

MOTION OF CENSURE.

Mr. TUDOR (Yarra) [2.31].—I move—

That the Government be censured for their failure to make provision for the payment of 5s. per bushel cash at railway sidings for this season's wheat.

After the storm of yesterday, we may expect a calm to-day, though in Parliament you can never say what will happen.

Mr. MARR.—It is to be hoped that you will not wreck us.

Mr. TUDOR.—I shall be glad to do so; I make no secret of that. If I could put the Government out of office, I would do it. Four weeks ago I moved the adjournment of the House to call attention to the failure of the Government to pay cash for the wheat delivered at railway sidings, as promised by the Prime Minister in his last policy speech; but, as is well known, it is practically impossible, on an adjournment motion, to secure a division, and thus force members to commit themselves to one view or another. Without such a division, honorable members can say that they were desirous that the Government should give effect to its guarantee without being inconvenienced in any way. My motion will force a division on the question.

Mr. MARR.—Let us have the division straight away.

Mr. TUDOR.—If the Whip on this side tells me that all the Labour members who are prepared to speak to the motion are willing to take a vote at once, I shall have no objection to doing so. In no case shall I detain the House very long. According to the honorable member for Echuca (Mr. Hill), the Australian wheat harvest for this year is estimated at about 137,000,000 bushels, though some of the newspaper estimates have been as high as 170,000,000 bushels. *Knibbs* allows for consumption in Australia of a little over 5 bushels per head for breadstuffs, which would mean a total consumption of 25,000,000 bushels, and about 10,000,000 bushels are needed for seed. Should the

yield be 150,000,000 bushels, there will thus be about 115,000,000 bushels for export. Now, the Treasurer told us in his Budget Statement that last year the shipping coming to Australia was about 3,500,000 tons, and the shipping from Australia would be about as large. We shall have 3,000,000 tons of wheat and flour to send away, and the shipping available will not provide space for it. We are sending away about 1,000,000 tons of coal at the present time, and then there are the wool, butter, meat, metals, and other exports. The honorable member for Wimmera (Mr. Stewart) has said that the farmers distinctly understood the promise of the Prime Minister at Bendigo, when he guaranteed 5s. a bushel for wheat delivered at the railway sidings, to mean 5s. cash.

Sir JOSEPH COOK.—In that case it was not a guarantee, but the promise of a payment.

Mr. TUDOR.—I believe that when Mr. Watt, during the last electoral campaign, made a statement showing what the Commonwealth would have to pay if a Labour Government got into power, he reckoned the cost of this guarantee among the commitments.

Mr. AUSTIN CHAPMAN.—Where would the Treasurer get the money?

Mr. TUDOR.—That is for him to say. Of course, if the Government are destitute of financial ideas, and come to the Opposition for advice, we shall be pleased to consider the position. The Prime Minister's statement at Bendigo twelve months ago was this:—

In order to help the wheat farmers, the Government, in addition to its guarantee for the coming crop, will guarantee 5s. at the railway sidings for the 1920-21 harvest.

The right honorable gentleman has made other promises. During the second conscription campaign, he said that if conscription were not carried he would not continue in office, but when I reminded him of that, his remark was that the statement was not a promise, but a threat. I ask him if, in regard to the wheat, the farmers were given a promise, a pledge, or a threat? If all that was meant was that they would get 5s. per bushel when the wheat was sold, they can say, "Thank you for nothing." Yesterday, newspaper proprietors were referred to as the friends of honorable members, but it cannot be

said that any of them are friends of mine. One newspaper has stated that the promise I referred to was made by the Prime Minister in order to obtain votes. Some time ago two pictures were published, one showing the farmer of 1914 smoking a pipe and driving an old horse, on whose excrescences you could have hung your hat, and the other showed him in 1919 riding in a motor car and smoking a cigar, all the result of the beneficial legislation of the present Government.

Mr. ROBERT COOK.—Was that in Victoria or in Queensland?

Mr. TUDOR.—In Victoria; and I obtained a copy of the pamphlet issued by the organization to which the honorable member belonged. Whilst the farmers' organization sends out pamphlets broadcast to the people of Victoria they are not likely to send one to me, but I generally manage to get hold of these things.

Mr. STEWART.—We are willing to give the honorable member a copy of any of our literature.

Mr. TUDOR.—I shall be glad to receive it. These publications always come in handy, just as *The Financial Carnival*, written by the Treasurer (Sir Joseph Cook) did last week. If the farmers are only to be paid for their wheat as it is shipped, and only about one-third of the crop can be sent away this year, instead of receiving the full price, which no one knows yet, they will not even receive 5s. per bushel, which they believed they would receive when the wheat was delivered at the railway sidings. Honorable members on this side of the House, who represent wheat-growing districts—and with one exception they represent the whole of the wheat-growing areas in New South Wales—have received letters from the primary producers, asking them to endeavour to induce the Prime Minister to make available the 5s. per bushel. Last Thursday the honorable member for Riverina (Mr. Chanter) asked the Prime Minister whether representations had been received by the Government from farmers' organizations in reference to the 5s. guarantee. The Prime Minister admitted that such representations had been received, but said that he had nothing further to add to his previous statement which was to the effect that until the wheat was sold they would not know what

they intended to do. Another question by the honorable member for Calare (Mr. Lavelle) was answered by him to the same effect. I have always taken the attitude that every man is entitled to a fair rate of remuneration, and a fair profit in his industry. The Federal Executive of the Labour party, which met last week, carried a series of resolutions, one of which was—

That the price of wheat for local consumption be based upon the cost of production, the cost of production to be ascertained upon inquiry, which shall provide for trade union wages and conditions of all labour, including the labour of the farmer's family, employed in producing the crop, plus a reasonable profit.

Mr. ROBERT COOK.—The public would not get a loaf at all under those conditions.

Mr. TUDOR.—If an industry cannot pay fair wages and support proper conditions it should not exist.

Mr. ROBERT COOK.—Then the people have no right to eat bread.

Mr. TUDOR.—I do not believe the honorable member. According to newspaper reports of deceased persons' estates it is the squatters and farmers who are most blessed with worldly goods, rather than the people who reside in the cities.

Mr. ROBERT COOK.—Wills do not disclose the liabilities of the testator.

Mr. GIBSON.—How will the honorable member's policy operate in the year when no wheat is grown?

Mr. TUDOR.—The honorable member may put his views as to what will happen in a drought year. The people engaged in the production of wheat, wool, or any other commodity, are entitled to a fair reward. The average cost of production can be ascertained.

Mr. POYNTON.—What would the honorable member call a reasonable profit?

Mr. TUDOR.—Not the 20 and 25 per cent. which some companies are paying, even on an inflated capital.

Mr. POYNTON.—Those companies are in the cities.

Mr. TUDOR.—And some of the people in the country have not done badly. I regard 25 per cent. as an unreasonable profit. According to the statement made by the Prime Minister a few days ago the farmers are not to receive a dividend until the crop is shipped away. If that is to

be the case the farmers should have been advised by the Government, instead of being encouraged to incur liabilities and mortgage their credit so that until they obtain money for the new crop they hardly know where to turn.

Mr. POYNTON.—Would the honorable member call 6 per cent. a fair profit?

Mr. TUDOR.—I would not.

Mr. POYNTON.—What would he call a fair profit?

Mr. TUDOR.—The honorable member may make a speech for himself.

Mr. CORSER. — But let us have your ideas.

Mr. TUDOR.—My idea as to an unreasonable profit was put on record in connexion with the Bill for granting a bonus for the manufacture of wire netting. The Government proposed to allow the company a profit of 15 per cent., and I said that that was unreasonably high. So are the profits of 25, 50, and 100 per cent. made by the honorable member's friends in the sugar industry.

Mr. CORSER. — Those profits do not exist.

Mr. TUDOR.—I do not propose to worry about the sugar people to-day, but I know how the company watered its stock to the extent of £3,000,000, for which the workers in the electorate I still have the honour to represent—in spite of the newspaper friends of honorable members opposite—are paying to-day. I have here a letter from Manilla, New South Wales, dated 28th September—

Enclosed please find copy of resolutions unanimously passed at a meeting of farmers and business people held at Manilla on Saturday, 25th instant.

In support of these resolutions, the following is submitted for your consideration:—

The cash payment of 2s. 6d. is entirely inadequate. It will barely pay for harvesting, bags, and cartage to railway, and the cost of putting in the crop has been from £2 to £2 10s. per acre. Farmers in this district have suffered for ten years by reason of crop failures, only two fair crops having been harvested during this period, so that it will be readily seen that their financial position, and also that of the storekeepers and others who have financed them, is serious. It is therefore regarded as reasonable that the first payment made should be sufficient to allow farmers to discharge their urgent liabilities. Business people have strained their resources to the utmost in order to carry them on, and will be unable to meet obligations entered into unless farmers can discharge their accumulated liabilities.

It is fully recognised that material assistance has been given by the State Government to farmers this year, but it is confidently asserted that if the guarantee of 5s. per bushel by the Federal Government, to which 2s. 6d. was added by the State Government, making 7s. 6d. in all, had not been made, a large proportion of farmers, disheartened by a long series of reverses, would not have attempted to put in a crop. They were urged by both State and Federal Governments to put in as much wheat as possible, and to do so worked almost day and night. How well they succeeded can be judged by the area under crop in this district, which, falling from approximately 45,000 acres a few years ago to under 20,000 last year, has increased this year to 42,000 acres. The promise to pay 7s. 6d. cash on delivery should, therefore, be honorably carried out. Failure to do so would be regarded as repudiation. From the stand-point of production, which is so much urged at the present time, the position is most serious.

The resolutions referred to are as follows:—

1. That this meeting of farmers and business men interested in the wheat industry offer an emphatic protest against the proposal to pay 2s. 6d. per bushel only on delivery of their wheat.

2. That the Federal Government be urged to honour their definite guarantee of 5s. per bushel cash payment on delivery (in addition to the 2s. 6d. per bushel provided for by the Bill now before the State Parliament) under which farmers were induced to put in as much wheat as possible, otherwise it will be absolutely impossible for many to finance the harvesting of the present crop or to continue cultivation.

“The New South Wales Government has guaranteed to pay 2s. 6d. per bushel cash down upon delivery at railway siding.” That is a statement of the honorable member for Darling (Mr. Blakeley), uttered in the course of the recent debate on this subject, and recorded in *Hansard* (*vide* page 4902). There is a further statement of the honorable member for Maribyrnong (Mr. Fenton): “The Queensland Government are guaranteeing 3s. per bushel over and above the amount of the Commonwealth guarantee.” Honorable members have said that the farming community has recently undergone an exceedingly serious drought. That being so, there is the more need for urgent consideration of the producers’ position, and for the carrying out of the definite promise made to the farmers by the Prime Minister. This the Government should honour, and at the earliest possible moment. During the debate to which I have just alluded, the honorable member for Wimmera (Mr. Stewart) stated that

he had been under the impression that the 5s. per bushel guarantee would be paid at the railway siding. That is recorded in *Hansard* (*vide* page 4905). The honorable member for Gwydir (Mr. Cunningham) remarked that he would never have put in his present crop had he not imagined that it would mean a return of at least 5s. per bushel cash.

I have not followed a course, in connexion with this motion, such as has been adopted with regard to many other motions of censure. That is to say, I have confined the terms of the motion to one specific subject. Newspaper opponents of honorable members on this side have remarked, in connexion with the motion, that this latest makes about half-a-dozen launched this session. No such thing! There have been three. But I do not say that there will not be more than half-a-dozen before the session is over.

Mr. MARR.—That depends upon the vote upon this motion?

Mr. TUDOR.—If honorable members vote after the manner in which they have been speaking, the Government will not remain in office for another five minutes thereafter. The Government are at present hanging on. If the Country party believe in this pledge which was made to the farmers, there should be but one course for them to adopt. Do they not realize that the pledge was made, not so much to “dish” honorable members on this side, and this party, as to “dish” the Country party? The pledge was uttered for the specific purpose of trying to prevent the Country party from getting a hold; although, for that matter, we now hold a fair number of country seats, and Labour members of the State Legislature will be representative of still more rural electorates as the outcome of to-day’s polling throughout Victoria.

Mr. GROOM.—I would not prophesy if I were the honorable member.

Mr. TUDOR.—I guarantee that our party will gain more country seats than the Nationalists.

I undertook to be brief upon this matter, and will conclude by saying, “Let us see now just where honorable members stand.”

Mr. HUGHES (Bendigo—Prime Minister and Attorney-General) [2.56].—The

honorable member has explained that the press is in error in stating that there have been half-a-dozen motions of censure this session. In this regard the honorable member says, like the lady in Marryat's novel, "This is only a very little one, and, so, might be excused."

Mr. TUDOR.—I never said or suggested that.

Mr. HUGHES.—Providence, which tempers the wind to the shorn lamb, enables us to sustain these rude buffets of adversity; and we have this abiding consolation, that if the honorable member had not moved his motion he would have been able, under cover of the Estimates—as we saw last night—to discuss not only this, but a great many other things. So, therefore, I am not at all disturbed by his motion. For since we are to waste time, as well waste it upon this as on any other question.

Mr. STEWART.—It is not a waste of time.

Mr. HUGHES.—That it is a waste of time is obvious; not that the subject-matter itself lacks importance—for it is vitally important—but I do not think that any one, no matter how closely associated with the farmers, would believe that consideration for the farmers is the impelling motive of the honorable member for Yarra (Mr. Tudor). I shall show that pretty clearly. It is, perhaps, only a coincidence that general elections are being held to-day in this State. It is possibly but a coincidence that, yesterday, although another event, both interesting and dramatic, was billed, the honorable member's followers endeavoured to brush it aside in order that they might notify an expectant electorate that they, Codlin, and not Short, were the friends of the farmers. However, destiny, which knows nothing and cares nothing of Labour or Nationalism, brushed them aside and determined otherwise. And so they take the floor to-day, and we are to hear that which, but for the intervention of Providence, we should have heard yesterday. What did the honorable member say? He is now posing in the rôle that he assumes very seldom, but which, because elections have followed one another rather closely, during the last few years, we recall perfectly, and admire the manner in which, although without that intimate

knowledge of rural affairs that would give him authority and information, he continues to strut the stage as the farmers' friend. He is much concerned about the farmers. I am sure my honorable friend will not object if I deal with this matter on its merits, and remind him of one or two circumstances which, in his anxiety to obtain a vote, he was unfortunately unable to mention. He has referred to my policy speech at Bendigo. I have before me an extract from that speech, which was delivered on 30th October, 1919, and I shall read it—

In order to help the wheat-growers, the Government, in addition to its guarantee for the coming crop, will guarantee 5s. at railway sidings for the 1920-21 harvest.

If honorable members will cast back their minds they will see that this was a definite promise in relation to a well-established practice. This was not the first guarantee we had given, nor even the second, or the third. We have given guarantees now these many years. And so, when we come to ask ourselves, what does this guarantee mean, if there be any ambiguity in the term itself, we have only to look at the way in which it has been construed, interpreted, and put into practice. We find that, with one exception, I think, and that in a very lean year, when, unfortunately, few people had any wheat whatever, the guarantee was honoured, not in one instalment, but in several. There is nothing in those words of mine, which the honorable gentleman and I have both quoted, nor in any utterances by which they were amplified, to indicate to the farmers that it was intended to depart from the existing practice, which was to insure that the farmer, no matter what the vagaries of the world's wheat market might be, should have 5s. per bushel for his wheat. That, I think, is a very strong inducement to put land under cultivation. The farmers are assured of 5s. per bushel. It may be said that 5s. in itself is not sufficient in these days. I do not say it is, but to a wheat farmer hesitating whether he should put in wheat or run sheep, that guarantee would suffice to just turn the scale and induce him to grow wheat.

As I have said before, no country can achieve greatness merely by following pastoral pursuits. Agriculture is a step

in advance of the pastoral condition. Hunting, I suppose, was the first condition of man; then came pastoral conditions, next agriculture, and, lastly, manufactures. It is a very good thing, even from the stand-point of the pastoral industry, that land should be put into cultivation. Even if our objective were to increase our flocks, it would still be a wise policy to encourage agriculture, because in that way, taking the country by and large, we can carry more sheep to the acre.

My first point is, therefore, that in this guarantee we repeated the formula that we had applied for many years. It was understood practically by every man at that time to be a repetition of the promise made in previous years, an assurance that the practice to which we had resorted would be continued. I am perfectly certain that the effect of the pledge was to induce a large acreage, which otherwise would have been fallowed, to be put under wheat.

I shall not embarrass honorable members opposite by reading very much from their manifesto at the last general elections. I shall take only one glittering gem from that sparkling tiara in order that honorable members may judge of the whole by the specimen that I bring forward. The Leader of the Labour party said in this manifesto—

Amongst other things we shall, in addition to carrying out existing undertakings, guarantee the wheat-growers 5s. a bushel at railway sidings for the 1920-21 harvest.

The honorable member there repeated my own statement; that is to say, that, in addition to the 1919-20 guarantee, we shall give the farmers 5s. per bushel at railway sidings for the 1920-21 harvest. He says that what he meant was that the Labour party, if returned, would pay 5s. in cash per bushel at the sidings when the wheat came in. If he had really meant that, he would have thought of it at the time, and would have expatiated upon it. He would have said to the elector, hesitating as he was between these two parties—asking himself, “Along which road shall we find salvation?”—“Why, here you have cash, while the Government offer you only a guarantee.” But the Labour party did not do so, and since modesty is not their characteristic virtue, we must assume

that it was because all they meant was that they would do as we had done for years, namely, guarantee that the farmer should get at least 5s. for his wheat. The idea of paying cash on delivery is an afterthought. We are strengthened in that assumption by the fact that this is the second censure motion in which this matter has been included, and that in the former motion not one word was said about payment down when the wheat was delivered at the sidings. It was not until the farmers said, “We want cash down” that these honorable members, seeing an opportunity of adding the coping stone to their castle in the air, said, “Ah! we forgot that, but it is not too late.” And with the paint of words and promises and statements, they hope to finish off this castle and to make the farmer who is voting to-day believe that they are the men for Galway. It is, however, a belated idea on the part of the Labour party. I think there is no need to emphasize the point any more. Nothing is more certain in the world than that if they proposed cash, as against our guarantee, they would have said so; because when we offered the soldiers bonds they advocated cash, and stumped the country, emphasizing the difference between the two policies *ad nauseam*. They are convicted out of their own mouths, or out of their own silence. What they propose now never occurred to them. Why? Because they know nothing whatever of the conditions of the farmer in the country, and care less. All they desired to do yesterday, and desire now, though it is rather late, is to influence the farming votes at to-day's election in Victoria. Where do these gentlemen really stand? They pose as the friends of the farmers. Now, my honorable friend has said, in many round-flowing phrases, that he believes a man is entitled to the fruits of his industry. Every capitalist, from the beginning of time, when a workman has asked for an increase of wages, has said the same. It is an expression trite, stale, and meaningless. It means nothing, and the honorable gentleman knows that perfectly well. But I shall turn rather a cruel light upon it from a lamp which has been placed in my hands. I mean the lamp by the light of which honorable

members opposite guide their feet—the directions, manifestoes, and decisions of their executives. For we must not forget that these gentlemen opposite are like children in a dark wood. They say, “Oh! let us go here,” or, “Let us go there”; but they know the way neither to here nor there, but must follow as their parents lead them; and as they dart after this pretty flower or that seductive fruit, they hear the voice of “Him who must be obeyed.”

Mr. STEWART.—Do not waste time discussing honorable members opposite. What are you going to do about the 5s. a bushel?

Mr. HUGHES.—The honorable member must be patient. I turn towards honorable members opposite because that is the position in which I stand most easily; if the honorable member prefers that I should talk to him, let him go over there.

Mr. McWILLIAMS.—Talk of your own party, and leave this party alone!

Mr. HUGHES.—I pay the honorable gentleman the greatest compliment I can, and he ought not to take exception to it. Honorable members opposite now pose as the farmers' friends. There is an election on to-day in Victoria; but when there is no election, where are they? Is the farmer entitled to the world's parity, according to their masters, or, indeed, according to honorable members themselves, who repeat their masters' words? According to them, most emphatically he is not.

I now come to statements made by those who are placed in control of the destinies of honorable members opposite, and I shall quote some early ones, and others but a few days old. First, there is Mr. Bennett, a very excellent man, with whom it has been my good fortune to work in days gone by. Mr. Bennett, the president of the Trades Hall Council at the time the statement was made, in February, 1916, said—

The Government should reduce the price of local wheat. There is no reason why it should not be sold at 3s. 6d. or 3s. The farmers would have to bear this sacrifice for the good of the community.

At a meeting held at Perth under the auspices of the Australian Labour party, a resolution was moved—

That this meeting of citizens protest against the intention of the Australian Wheat Board

to fix the price of wheat for local consumption at the world's parity.

I now come to Mr. Tunnecliffe, who this day is wooing the coy elector for the State Parliament in my own electorate, and whose enthusiasm and love, as a member of the Labour party, for the farmer literally passes all understanding. He, in reply to a question, is thus reported—

He was not in favour of the world's parity for wheat for local consumption in the future. There should be a fair average price, in good and bad seasons. The farmer did not produce wheat or wool or any other primary necessities any more than the housewife, the girl at the loom, or the sailor on the sea. The product belonged, not to the individual, but to the people as a whole.

These are strange words, my masters, to come from the lips of those who are posing as the champions of the farmer. They tell us that the wheat does not belong to the farmer—that the farmer must make sacrifices, that they do not believe in the world's parity, that this attempt to get the world's parity is nothing more than syndicalism by the farmer, and they are against it. Now we come to the Labour executive—those gentlemen who are placed beyond the reach of criticism, whose very names we must not breathe, and whose persons are sacrosanct—who say to this man and to that man, “Do this,” and he does it, or is cast into outer darkness. What do these men say? They, in a motion, say—

That the price of wheat for local consumption be based upon the cost of production. The cost of production to be ascertained upon inquiry, which shall provide for trade union wages and conditions to all labour, including the labour of farmer's family, employed in producing the crop, plus a reasonable profit.

That is the gospel according to the Labour executive. What does it mean? We are told that the farmer should be paid for his wheat according to the cost of production. These gentlemen seem to think that all that is necessary to produce wheat is for the farmer to plough the land, then retire into his inner consciousness and wait, when, in the fullness of time, abundant harvest will come. But that is not so. A man may plough, he may harrow, he may roll—he may do everything that a man can—and still reap nothing. What is the price of that farmer's wheat? Does some being from high shower down manna on him

for that year? No. Is the cost of production for a lean year going to be added to the cost of production for a fat year? No—a thousand times no! The farmer is asked to take all the risks in producing the wheat, and in the year that he does produce it he is to get the cost of production for that year, but nothing for the year when drought, flood, pests, and other difficulties assail him, and deprive him of a harvest. That is the gospel according to my honorable friends. And who is to decide the cost of production? It is to be done after inquiry. Inquiry by whom? By farmers? I ask my honorable friends opposite which of them would submit a labour dispute in relation to rural industry to the employers of labour only. Yet they wish the farmers to allow the price of wheat to be based on a determination of the cost of production by a jury composed wholly of consumers, and, for the greater part, of consumers in the cities.

Mr. TUDOR.—That is incorrect. Such a thing was never proposed.

Mr. HUGHES.—My authority is the Melbourne *Argus* of the 19th instant.

Mr. TUDOR.—There is no statement there that the inquiry would be conducted by consumers only.

Mr. HUGHES.—I admit that; but were honorable members in power they, or at least their executive, would see that only the "right" men were appointed.

Mr. TUDOR.—That would be doing what you have done in regard to every Commission for which you have been responsible. You have never appointed a Labour man.

Mr. HUGHES.—For twenty odd years I was part of the Labour machine, and I know how it works. When it is a case of settling a dispute, what do they say to me in asking me to appoint a chairman? The less members opposite say about matters of this kind the better.

Honorable members interjecting.

Mr. SPEAKER.—I ask honorable members not to shout out interjections. The knowledge that the Prime Minister suffers from a physical disability should restrain them, as their interjections cannot be heard by him, and, therefore, cannot be replied to, and in any case are disorderly, and should not be replied to.

Mr. CONSIDINE.—We should be delighted to go over and whisper them to him.

Mr. SPEAKER.—I ask the honorable member not to interject, especially when the Speaker is on his feet; and he must not make a megaphone of his hands.

Mr. HUGHES.—I can sit silent when others are saying unpleasant things of me. The storm that I have raised indicates that I am getting well within the joints of my friends' armour. The Labour party proposes that the price of wheat shall be determined by the cost of production, and I ask the farmers to note that these gentlemen do not make a similar proposition regarding themselves. When asked to accept payment in accordance with what they produce they will not do so. They say, "We are entitled to so much. This is the world's rate, and we shall not be satisfied with less, and shall hardly be satisfied with that." I do not blame them, but I point out the inconsistency. The farmer should be treated like other men. He risks the vagaries and uncertainties of Nature, and has a right to the full benefits of the market. It is he who suffers if the market falls. The honorable member for Yarra (Mr. Tudor) spoke of what New South Wales and Queensland are going to do for the farmer. I cannot say what New South Wales will do, though I have no doubt it will do its utmost to honour its guarantee; but let us turn to Queensland, where the farmers are to be given 3s. more than the Federal guarantee. Members of the Labour party are the farmers' friends. They have brought forward this motion because their hearts are torn with pity for the farmers. How has the farmer been treated by Labour in Queensland? There is a suspicious silence on the benches opposite regarding the result of the recent Queensland election. The Labour party has got back in Queensland, but there is a majority of the electors against them.

Mr. TUDOR.—Their position is not nearly so bad as your Senate representation.

Mr. HUGHES.—It is a million times worse. We had a majority of the people in our favour. They have a majority against them. What greater difference can there be than that? The less the honorable member says about the Senate the better. When the honorable member and I were together, we had a following of about thirty-one in the Senate; now he

has a following of one there. In Queensland, in 1915, there was a severe drought, and only a small quantity of wheat was grown there. Three cargoes of wheat were imported from the Argentine, at a landed cost of 8s. 6d., and the drought-stricken farmers naturally expected to receive that price for what wheat they had. But the Government fixed two prices for flour. Flour made from the imported Argentine wheat was priced at, second class, £29 10s. per ton, which was the equivalent of 8s. 6d. per bushel for the wheat, and flour made from Queensland-grown wheat was priced at £9 10s. per ton, the equivalent of 3s. 6d. per bushel for wheat. Then a proclamation was issued prohibiting millers from gristing the farmers' wheat, to compel people to eat the flour made from the imported wheat. When the farmers sold their wheat to their own co-operative mill, the Prices Commissioner ordered the directors to send part of their wheat to a proprietary mill in Brisbane. They refused, and the following telegram was sent (Queensland *Hansard*, vol. CXX., p. 205):—

On understanding that your company will send down all wheat required by Government, and that 6,000 bags will be consigned at once, compulsory acquisition will not be resorted to at present.

When we were small we used to hear the story, full of moral instruction, of the spider and the fly. The Labour party now says to the farmer, "Come into my parlour." I have just shown what happened to one of the flies that went into that parlour. Honorable gentlemen say that the majority of the representatives of wheat-growing electorates in New South Wales are in their party, but how many farming electorates have returned Labour members to the new Queensland Parliament? The fact is that Labour men have set their face resolutely against the farmer. They do not appreciate this fundamental fact, that even if the farmer were making a larger profit than the man in the town, it would be to the interest of the Commonwealth to let him do so, because it is vital to its welfare that population should spread from the towns to the country. They do not understand that, and are appealing to, and stimulating the movement of the people from the country, which is the source of all wealth, to the towns and cities, which live on the

wealth produced in the country. The honorable member for Yarra said that there was a prospect of there being 3,500,000 tons of wheat to export this year. I hope that that may be so. On those figures the Government is faced with a financial obligation of between £30,000,000 and £40,000,000. He says we ought to pay the whole of this sum on delivery of the wheat. But those who are responsible for the motion have not suggested how money can be raised to pay for the wheat immediately. It is impossible to borrow abroad, as they know; but all that they will say is, "You must pay the money straight away." I wish to state very definitely the attitude of the Government. We recognise our obligations, and intend to honour them, realizing that on the profitable marketing of wool and wheat the financial and industrial stability of this country for the next twelve months absolutely depends. Owing to pledges given at the last election, the Government was placed in an awkward position; but it has shown its *bona fides* by becoming a member of the Wheat Board. The first problem for the Wheat Board to solve is the disposal of the exportable surplus of wheat and flour, and to that it is devoting the whole of its energies. Although I am not at liberty to state what it has already done in the way of sales, I think I am entitled to say that the Wheat Board has already sold a considerable quantity of wheat at a reasonable rate. It is endeavouring to dispose of as much as possible. I speak, not of small quantities but of large quantities involving millions of pounds. The key to the situation is obviously freight, and the Government, which, fortunately for this country, have at their disposal a considerable quantity of tonnage, is placing that tonnage at the disposal of the Wheat Board. I may add that, without the assistance of the Government ships, the contract that has been entered into could not have been accepted, for it is a c.i.f. contract, and the Government have undertaken to supply the freight. Every day the Wheat Board is endeavouring to secure freight, the price of which is still high, ranging from £5 15s. to £7. We are getting all the freight that is available. We have a tremendous

task in front of us to market this gargantuan crop, and the best brains of the community are directing and advising us. The farmers' representatives are on the Board; nothing is done without consulting them. So much for the exportable surplus, which phase of that subject I pass by with the observation that it is essential for us to dispose of the wheat at the earliest possible moment at the highest possible price; freight is the key to the situation, and we are endeavouring to deal with it in a business-like way.

I come now to the question of wheat for local consumption, which the Leader of the Opposition (Mr. Tudor) mentioned as amounting to 25,000,000 bushels. I think that was an understatement of the requirements; it is nearer 30,000,000 bushels. On that matter I wish to declare the policy of the Government, which is quite distinct from the policy of honorable members opposite. What we said during the election was that we believed in the farmer getting the world's parity, and we would take no action to interfere with him getting that parity. Nor shall we. I have convened a meeting of the Board, that is to say, the State Premiers or Ministers of Agriculture and the representatives of the farmers, for Wednesday next to consider, amongst other things, this very question of wheat for local consumption, and also what arrangement the States which have made guarantees are able to make for prompt payment on delivery at railway sidings. And, in order that the Commonwealth Government may know exactly where we stand, and may be able to make a definite statement to the farmers, so that they, too, may know where they stand, I am convening a conference of bankers for the same day. When in Sydney recently with my colleague, the Treasurer (Sir Joseph Cook), I had an opportunity of discussing the matter with some of the bankers, and I hope to be in a position towards the end of next week to make a definite statement of what we shall be prepared to do in the month of January next—how much we shall be able to pay, and on what date we shall pay it. I pass by the wheat delivered in December, because that will be a mere drop in the bucket. As an obligation, the December wheat is comparatively small,

and if it were the only difficulty we could deal with it without very much trouble. What we desire to be able to do is to say to the farmer that we shall be able to give to him so much on delivery at the siding, whenever that delivery takes place; whether it be December or any other time is immaterial. The Government realize thoroughly how important it is that we should make this payment as large as possible. We shall go to the full length that the finances of the country, assisted and backed by the bankers, will permit us to go. It would be of no use for me to anticipate by making a statement as to what I think the payment will be, because I propose to make a definite statement next week of what we shall do, at any rate, as a minimum.

That, then, is the position. The Government is thoroughly alive to the situation. We have taken every step that circumstances have called for in order to enable the farmers to market their wheat promptly in foreign countries; we are taking every step in order to get the basis of a price for local consumption. Honorable members must understand that this is a business, not for the Commonwealth, but for the States who own the wheat. The Commonwealth is pledged to do nothing whatever to prevent the farmer getting the world's parity for his wheat, in or out of Australia; but the States, in effect, own the wheat, and they will fix a price for local consumption, possibly, next week. When they do, the situation will be materially cleared, for the farmers will know exactly where they are, and when I am in a position to state exactly what we shall be able to do—and we are taking all the necessary steps to enable me to make that declaration—the House will be able to deal with a concrete situation. In the meantime I have only to add that the Government, who represent every interest in Australia, and who are supported by twenty-one honorable members who represent wheat-growing electorates, are keenly alive to the situation. We shall do everything in our power to assist the farmer by securing freight, by advances, and by every other means at our disposal. We shall not seek, as honorable members opposite do, to differentiate between the farmer and

every other producer in the country, paying him on the basis of the cost of production, then a minimum return irrespective of the amount produced, but shall give him the benefit of the world's price, to which he is entitled. There I leave the situation. The honorable member for Yarra (Mr. Tudor) need not have apologized for having made only three motions of censure. I feel rather pleased that he has afforded the House an opportunity of discussing a matter of such great importance. That the House will treat the motion as one of censure I do not believe, and I am sure the mover does not so believe it. This was intended as an electioneering move; it is twenty-four hours late, for the issue of the elections will have been decided long before this debate can be published. The fact that the honorable members who stand for the farmers in Victoria belong to a party which in Victoria is able to amass only sufficient energy and courage to nominate twenty-five or twenty-six candidates for a House of sixty-five members speaks for itself. I leave the issue to the House. I thank the honorable member for Yarra (Mr. Tudor) for having afforded me an opportunity to tell honorable members, and through them, the farmers, that the Government are taking steps which will enable them to make a definite statement next week in regard, I hope, to the price of wheat for local consumption, but, certainly, as to the date and the amount of the advance.

Mr. STEWART (Wimmera) [3.50].—I have listened with a great deal of interest to the wordy warfare between the two other parties in the House as to which is the better friend or greater enemy of the farmer. I have not much interest in the claims of either side, but I am concerned in the question of the payment of the advance. The Prime Minister has declared that he did not say that he would give the 5s. guarantee in cash in the one payment. I am not going to debate the question of what he actually said; nor will I attempt to declare what he really meant. But I can say, in the plainest possible manner, that nine-tenths—if not more—of the farmers in my constituency took the Prime Minister's pledge to mean cash upon delivery at the railway station. All the Prime Minister's talk, all his cleverness, all his

dramatic gestures, cannot alter the fact that nine-tenths of the wheat-growers of Wimmera, and, I believe, of the whole of Victoria, incurred obligations, put in crop, and—owing to failure of the previous year's crop, as the result of which they were unable to meet many of their bills—renewed their bills until after this harvest, and made all their calculations in the belief that they would receive a 5s. cash advance. It is quite clear, in my mind, how they arrived at that assumption. The promise of the Prime Minister was made on 30th October last year. That was prior to last harvest. The 5s. guarantee was already promised for that harvest; and the Prime Minister said, in effect, "We will not only give you an advance of 5s. at railway stations for this harvest, but will extend the same promise to the following harvest." What was the result of the guarantee for last harvest? The amount was paid in the one payment.

Mr. RODGERS.—On a 35,000,000 bushel crop.

Mr. STEWART.—I am not taking into consideration the dimensions of the harvest; that is beside the question. The point is, What did the farmers adduce from the promise of the Prime Minister? The farmers incurred liabilities because the Prime Minister gave a pledge which they interpreted in a certain manner. It is significant that tens of thousands of wheat-growers throughout Australia should have taken that promise in a way in which the Prime Minister now says he did not intend. But, whose fault is that? If the Prime Minister makes a statement which is so ambiguous that farmers all over Australia interpret it in one direction—even though in a direction in which he had not intended it to be taken—the fault lies with the Prime Minister. And, if through that fault the farmers have incurred expenses and have renewed financial obligations, it is the duty of the Prime Minister to confess—which he is hardly likely to do—that since they took up his promise in such a fashion it now becomes his task to endeavour to make good.

Mr. RODGERS.—The Prime Minister has said that he will strain the finances of the Commonwealth to give the farmers the maximum advance.

Mr. STEWART.—He has not renewed his promise to give them 5s. cash at railway sidings. The question everywhere

is, "How much are we going to get of this 5s. guarantee?"

Mr. RODGERS.—The farmers will know next Wednesday.

Mr. STEWART.—That is always the cry. We will know by-and-by. The Prime Minister spoke to-day for a solid half-hour. He talked of everything but the specific subject of the 5s. advance. He talked of the elections in Queensland, and of those being held in Victoria to-day. He referred to the past history of the Labour party, and to its proposals for the future. All those things are not worrying me. I want to know what the Prime Minister is going to do about his promise and his pledge. Having spoken for half an hour, the right honorable gentleman sat down; and I am as wise as ever—

Sir JOSEPH COOK.—That is your fault, not his.

Mr. STEWART.—As wise as ever concerning what this payment is going to be, and when it is to be made. I do not know what the farmers are going to get. Does any honorable member?

Mr. RODGERS.—Would the honorable member care to be bound by anything the Prime Minister might say to-day, before he had consulted the Wheat Board?

Mr. STEWART.—If I were to ask honorable members behind the Government why the Prime Minister gave his pledge, they would say that it was in order to encourage increased production, and was due to the fact that the Government realized the urgent necessity for our putting greater areas under wheat. But the pledge was not made with that object. If it had been, and had its author known a little more about agricultural operations than the Prime Minister has admitted that he knows, the promise would have been made at the right season. Wheat-growing in Victoria is conducted almost entirely on fallowed land. The making of a promise with a view to encouraging greater production would have been undertaken—had it been made genuinely, and by one who knew his subject—at the season of fallowing, during the previous year. At that time, however, the Prime Minister and the Government were silent. They offered no incentive to farmers to increase production. They were not then on the hustings and after the farmers' votes.

Mr. RODGERS.—That assertion carries no weight, for it so happens that the guarantee covered two harvests.

Mr. STEWART.—The promise was made primarily to influence the votes of the farmers. It was made in an effort to persuade farmers that a certain other party could look after their interests better than their own Country party. And the unfortunate fact is that, on the assumption that they would be getting from the Government a cash advance of 5s., many farmers voted for other than Country party candidates. Why did not the Government make this declaration at the right time, and before they went out on the hustings?

I only wish to add an expression of sincere hope that, in drafting the scheme for the new Pool, the policy of making scrip negotiable will be reversed. The gambling which has occurred since the inception of the pooling system is a scandal.

Mr. RICHARD FOSTER.—That is a matter which the farmers themselves should decide.

Mr. STEWART.—It is a question upon which the farmers are almost unanimous. The effect of making wheat scrip negotiable was that the wealthy farmer could sell or retain his scrip, according to his best interests, as he saw them; while the unfortunate, struggling settler was squeezed all the time. That section of the wheat-growers which the Government should have endeavoured to protect comprised the very people who were plundered every time and all the time. It was an ugly fact that all the rises and falls in scrip quotations were known to the speculators long before the information was made available to the man who had grown the wheat. He was the last to learn the trend of the wheat scrip market.

I believe that the overwhelming majority of wheat-growers in Australia honestly expected a cash guarantee of 5s. per bushel at railway sidings. They are expecting cash now, and it is imperative to many thousands that they shall have cash. If they do not get cash, I do not know what they will do. If the Government would only do the fair thing by the wheat-grower, they would say, "We did not mean the Prime Minister's pledge to

be taken as it was taken; but, seeing that it was so taken, and that, thereupon, the farmers incurred obligations and put in crop in the light of their interpretation of the pledge, we shall do something now in order to give you cash." Lastly, I am confident that if the financial institutions of this country really wished to find the money to allow the Government to fulfil the pledge of the Prime Minister, the necessary sum could be quickly obtained.

Mr. PARKER MOLONEY (Hume) [4.2].—The rebuke of the Prime Minister by the honorable member for Wimmera (Mr. Stewart) is well merited. The Prime Minister has treated us this afternoon to one of his characteristic flights. We are well accustomed to them. He played to the gallery, and tickled the ears of his supporters by his well-known methods; but the very thing which this country wants to learn was the very thing which he studiously avoided mentioning. He gave not one indication of where the Government stands with respect to the fulfilment of his pledge. I took careful note of what he said, in order to try to find something definite. He said that a conference would take place in a week's time, when he would be going into this matter. That was mentioned in order to play up to the so-called Country party, so that he might be sure of their votes to tide him over his present difficulties. He held up a prospect which depended upon something that is to take place next week. He added, "We hope then to be in a position to be able to say how much we can give of this 5s. guarantee. We want to be in a position to be able to say that we will give so much at railway sidings." I have stated for many weeks past, when speaking at meetings of primary producers in my electorate, that the pledge of the Prime Minister has already been broken. I interpreted that pledge as did the honorable member for Wimmera, and he does not exaggerate when he says that nine-tenths of the farmers interpreted it to mean the payment of 5s. cash at railway sidings.

Mr. BRENNAN.—What else could it possibly have meant?

Mr. STEWART.—The farmers got it last year, and, naturally, they took it for granted that the same would apply this year.

Wherever I have gone I have said, as the result of answers to questions I have put in this House, that I believed this pledge on the part of the Government had already been repudiated. Only last Saturday, when I made the statement, a member of what is known as the Progressive party, in New South Wales, said that I had no foundation for the assertion made. He stated that, although he had watched the newspapers closely, he had seen nothing in them to justify my statement, and that he believed the promise would be honoured. I was about to say that I was glad that we had had to-day a definite statement by the Prime Minister which proves the correctness of my statement. But I am sorry, since I know what are the difficulties of thousands of primary producers who have mortgaged their properties in order to put a larger area under cultivation than they would have done but for this promise. They took this action in the belief that the promise made at the last general election, that the Government would make a payment in cash of 5s. per bushel at railway sidings—

Mr. CORSER.—There was no promise of a cash payment. The honorable member is wrongly interpreting the promise.

Mr. PARKER MOLONEY.—That, I believe, as the honorable member for Wimmera (Mr. Stewart) has said, was the interpretation placed upon the pledge by nine-tenths of the primary producers of Australia. If there be any doubt as to the way in which the promise was construed by the primary producers, I can dismiss it at once by producing a whole budget of resolutions carried by many of the organizations of primary producers in New South Wales, urging that the cash payment of 5s. per bushel should be made. I have before me now a long list of resolutions passed at meetings held in big centres in my electorate, as well as in districts outside of it. I produce them as an answer to the honorable member for Wide Bay (Mr. Corser), who suggests that my interpretation of the Prime Minister's pledge is wrong. The first of these was recently carried at a meeting of primary producers held at Wagga; and the secretary of the local branch of the Farmers and Settlers Association, in

forwarding the resolution carried at that meeting, writes—

For my part, I have no doubt that this guarantee, when given as an inducement to greater wheat production, was to be paid on delivery in one payment.

The following resolution was carried at a meeting of primary producers held at Junee:—

That the Federal Government be urged to honour their definite guarantee of 5s. per bushel cash payment on delivery at railway sidings.

These resolutions are an answer, not only to the honorable member for Wide Bay, but to the honorable member for Echuca (Mr. Hill), who, when I was discussing this question on a previous occasion, expressed a doubt as to whether the primary producers of Australia interpreted the pledge given by the Prime Minister as I interpreted it. Since then, practically seven out of every ten of the farmers' organizations in New South Wales have carried resolutions similar to those which I have read, and have sent copies to honorable members. The Leader of the Opposition has already quoted a resolution passed at Manilla, New South Wales, which I need not repeat, but in which there is also a request that the guarantee of 5s. cash payment at railway sidings be honoured. A meeting of farmers which was held at Lockhart—which is in the western part of my electorate, and is bordering on the Riverina—was attended by primary producers from the Riverina, as well as from the Hume, and carried a resolution in which it is stated—

We claim that the promise was made, and intended to be paid on delivery at the time, and we now ask that the amount be paid.

Every one of these resolutions shows most clearly that the interpretation which the primary producers placed on the pledge was that the payment was to be made in cash on delivery at railway sidings.

I have been asked on numerous occasions for proof of my statement that I believed the promise had already been broken, or that the Government were going to break their promise. When I was last addressing myself to the question in this House, I said, "It was a guarantee to pay 5s. on delivery at railway sidings." The Assistant Minister for Repatriation (Mr. Rodgers) then interjected, "Not on delivery." I take it that the honorable

gentleman is entirely in agreement with his Leader, who has practically told us to-day, in effect, that it was a mere election promise designed to catch votes. The Prime Minister called on the people to "Produce! Produce! Produce!" and as an incentive to increased production, he said, "You shall get this payment of 5s."

Mr. RODGERS.—Will the honorable member tell me whether the arrangements for the payment of the New South Wales guarantee of 2s. 6d. per bushel are complete?

Mr. PARKER MOLONEY.—The promise made by the New South Wales Government was that a payment of 2s. 6d. per bushel on delivery at railway sidings would be made, and I believe that promise will be kept.

Mr. LAZZARINI.—The New South Wales Government has not yet failed to keep any of its promises.

Mr. PARKER MOLONEY.—As the honorable member for Werriwa interjects, the New South Wales Labour Government has never yet made a public promise that it is unable or unwilling to carry out.

Mr. RODGERS.—The honorable member knows perfectly well that the New South Wales Government has yet to make its financial arrangements.

Mr. PARKER MOLONEY.—We are not concerned about that; I prefer to allow the New South Wales Government to make its own arrangements. But, if there is one thing more than another to be said in favour of a Labour Government, it is that it always endeavours to redeem its promises, and I am prepared to believe that the New South Wales Government will redeem its pledge. It has not yet broken it, but in view of the Prime Minister's statement to-day, the fact that the Commonwealth Government does not intend to honour its pledge can no longer be camouflaged. At many meetings we have been told by supporters of the Government that we should not condemn it until it has definitely broken its pledge in this regard. When the Leader of the Opposition (Mr. Tudor) gave notice of his intention to submit this motion censuring the Government for its failure to make provision for a cash payment of 5s. per bushel, the honorable member for Wilmot (Mr. Atkinson) said, "Wait till the Government has failed before you censure it." We need wait

no longer. The Prime Minister has definitely said to-day that a meeting is to be held in a week or two, after which the Government hopes to be able to say how much per bushel it can pay the farmer, in January next. No longer need the man on the land be deceived. Here we have a definite statement on the part of the Prime Minister that the promise has been broken. In order to cover up the shame of it, the right honorable gentleman quoted speeches made by Labour candidates five years ago, and also made quotations from Labour manifestoes. What was his object in delving into ancient history? Clearly he did so with a desire to cover up the shortcomings of his own Government.

Mr. GIBSON.—The Leader of the Opposition (Mr. Tudor) was the first to quote from the Labour party's manifesto.

Mr. PARKER MOLONEY. — That may be. We said that we would give 5s. per bushel at railway sidings, and we believed at the time, as the farmers did, that that meant a cash payment of 5s. per bushel on delivery at railway sidings. If we were in office to-day, we would honour that pledge, but because the Government does not intend to honour its promise the Prime Minister has introduced a mass of irrelevant matter with the object of clouding the issue. That was his reason for indulging in a long dissertation on the records of Labour candidates, all of which had nothing whatever to do with the subject under discussion.

Mr. RYAN.—And all of which he misrepresented.

Mr. PARKER MOLONEY.—Yes; but that is characteristic of the Prime Minister. He twisted the Labour party's manifesto, put his own construction on it, and then having misrepresented it in every shape and form, said in effect to the House, "Do not put me out of office, because, if you do, you will put into power a party that stands for something like this."

Mr. ROBERT COOK.—Do not forget that he was a member of the Labour party not so long ago.

Mr. PARKER MOLONEY. — And when he was he wrote a very interesting book entitled, *The Case for Labour*, from which, if we were to follow the Prime Minister's example of introducing extraneous matter, we might quote at large, in order to contradict practically

every statement he has made since he ran away from his life-long principles. That, however, is unnecessary. We are here to discuss a definite issue. I agree with the honorable member for Wimmera that this is a matter which is agitating the minds of the primary producers to a greater extent than has any other question which has been raised for many years. The payment of the guarantee in cash is almost a life-and-death matter so far as they are concerned. Many of them are carrying heavy mortgages, and will be ruined unless the Government give the 5s. per bushel, as a first payment at railway sidings.

The farmers are looking to the vote of every man in the House, whether he sit behind the Government, in the Corner, or on the Opposition side; they are anxiously awaiting the votes of those who claim to represent the producing communities, including that of the honorable member for Wannon (Mr. Rodgers). So far as I have met the farmers of Wannon, I have urged them to watch the division list. If honorable members who represent rural constituencies will stand with the Labour party, we can compel this payment of 5s. per bushel.

Mr. MATHEWS.—How about that small farmer, Mr. Jowett?

Mr. PARKER MOLONEY. — The honorable member for Grampians (Mr. Jowett) may be able, by his vote on this occasion, to atone for not voting on Friday last on his own censure motion.

Mr. JOWETT.—The honorable member knows that I was not here on Friday last.

Mr. PARKER MOLONEY.—The honorable member should have been; but I have never tried to misrepresent any honorable member in any way.

Mr. JOWETT.—That is so.

Mr. PARKER MOLONEY. — The honorable member may have his own explanation of his absence. I am not exaggerating when I say that to the primary producer this is a matter of bread and butter—of life and death—and at least seven-tenths of them expected that there would be a cash payment of 5s. per bushel at the railway siding. When I last spoke on this subject, at a meeting of primary producers, I was told by a visitor to that assembly that, even if the Country party and the Labour

party voted together, the Government would still have a majority of one. That is not so, because the combination would mean an equal vote; and, under such conditions, no self-respecting Government should continue in office, but must take the vote as an indication that the people of the country require the Bendigo pledge given effect to. I do not presume to dictate to any honorable member how he shall vote—that is a matter between himself and his constituents—but I repeat that the division list on the present occasion will be watched as no division has been watched before; and it will be for those who claim to represent farming constituencies to account for their action if they do not “ring true.”

I do not wish to deal with the irrelevant matters dealt with by the Prime Minister, but I must say that the right honorable gentleman misrepresented the manifesto of the Labour party, and, putting his own construction on it, said that, under our policy, there would be no chance of the primary producer getting the full benefit of the market. How he arrived at that conclusion I do not know, because, as a matter of fact, our policy would, for the first time in the history of the country, give him the full benefit.

Mr. RODGERS.—The Prime Minister was probably drawing on the Queensland illustration he gave.

Mr. PARKER MOLONEY.—I heard the Prime Minister speak about Queensland, and I venture to say that he would like to have behind him such a majority as is behind the Queensland Labour Government, instead of being compelled to hang on by the skin of his teeth with a doubtful majority, one which, in reality, does not exist. Yet this is the man who has the temerity to come into the House and talk about Government majorities.

Mr. STEWART.—I have heard several honorable members opposite complain that the Ministry here has a very reliable majority.

Mr. PARKER MOLONEY. — That remains to be seen, as far as this motion is concerned. No Government can be safe without a direct majority; and there never was a Government in any country dependent on such a slender majority as that behind the Prime Minister to-day. I have no doubt

that the right honorable gentleman wishes he was in the same happy position as the Leader of the Queensland Government, with a majority of five or six. However, I have been led off the track of my remarks. In the past, under the Government which the Prime Minister leads, the farmers have never had the benefit of the market; on the contrary, the market has been exploited by the rings and middlemen who support the right honorable gentleman, and it is they who have had the benefit. It would be a new experience for the farmer, if the Labour platform were put into operation, to find himself receiving the profits which hitherto have gone into the coffers of those who stand in between the producers and the consumers. The John Darlings and the rest of them who have been accustomed to “farm the farmers,” and who support honorable gentlemen opposite, would, under our policy, be deprived of the huge dividends which have hitherto gone to them, for these dividends would be diverted to those who have the real right to them.

Mr. GIBSON.—You talk of the profits for some years: what would you do in a year of drought?

Mr. PARKER MOLONEY.—In the case of a glutted market, when we return to normal conditions, with prices at their pre-war state, it is quite possible that the world's parity, although that question is not now before us, might not give the primary producer enough to cover the cost of production.

Mr. GIBSON.—What would you do then?

Mr. PARKER MOLONEY.—Under the old conditions, the primary producer would have to take an amount which would not cover the cost of production, but, under our scheme, we would see that he got the full product of his labour—got enough to cover the cost of production, and, in addition, a good profit on the sale of products for home consumption. The Prime Minister endeavoured to camouflage the position in regard to our policy as it affects wheat sales; but, by means of instrumentalities such as the High Commissioner's office, the Agents-General offices for the States, and our own line of shipping, we would see that the primary producer got the highest price the world's markets could afford.

To-day we were anxious to have one question regarding the 5s. cash payment cleared up, and, beyond that, it was unnecessary for the Prime Minister, as it is unnecessary for me, to go. All we desired was a definite statement from the Prime Minister as to whether or not he proposed to redeem the pledge he gave at Bendigo. For weeks past this question has been covered up, but to-day we have had a definite statement from the right honorable gentleman that he does not intend to honour that pledge. As I have said, at least seven-tenths of the primary producers will be sorely disappointed when they read his speech.

Mr. HILL (Echuca) [4.31].—I am delighted to know that the primary producer has so many friends in the House, that he has friends on the Nationalist side, on the Labour side, and amongst the Country party. I am particularly pleased to know that there are men on the Labour side who are sympathetic with the primary producer. A number have been elected to the Opposition side by country districts, and I believe that those members not only see as we on this side see, but that they are prepared to influence their colleagues in giving to the primary producer a much fairer deal than he has ever had in the past. But I am not in agreement with the motion, as might be gathered from what I said in the House a week or so ago. The whole position hinges on the guarantee given by the Prime Minister. As I said then, I say again—and the farmers with whom I have come in contact almost unanimously agree with me—that, in my opinion, the guarantee was a specific promise made by the Prime Minister to pay 5s. per bushel at country stations. It has been stressed by various speakers that, because it was a guarantee of 5s. at country stations, it meant 5s. as a first payment, cash at country stations. Those who have followed the operations of the various Pools know that, on various occasions, guarantees have been given, such as “free on board,” or of so much at country railway sidings. The farmer knows that for the 1918-19 Pool, there was a guarantee of 5s. at country stations, and I believe that that would not have been paid as a first payment had it not been for the fact that we had a very small harvest.

Mr. STEWART. — Does the honorable member not mean the 1919-20 season?

Mr. HILL. — I mean the last season, that is, 1919-20. If we had had a normal harvest, it is highly probable that many farmers would have been weaned away from the opinion that that 5s. guarantee meant a 5s. first payment; but, owing to the Government coming to the rescue of the farmers by paying 5s. last season, many farmers naturally thought they were going to get 5s. as a first payment on this occasion. Had they only read the Prime Minister's statement aright, they would have seen it was simply a guarantee to pay at country stations a net price of 5s. It was not a f.o.b. price, but a net price, to be paid on delivery at country stations. I think I have stressed before the impracticability of providing this huge amount of money in cash as a first payment. On an estimated yield of about 140,000,000 bushels, it would mean an expenditure of something like £35,000,000. I cannot claim the Prime Minister as a friend, and it could not be said that I hold a brief for him; but I believe that he is as wishful as we are that the 5s. shall be paid in full. It is asked, why does he not pay it? The reply is that he has not the money. In my opinion, it is going to be a hard matter to get the money. The Country party has been quite prepared to take action with a view to securing to the farmer at the earliest date the largest amount possible, but we knew that one large sale was in progress, and that several others were pending; we knew too, from conferences with the Prime Minister in connexion with the Wheat Board, that he was desirous that these sales should be effected before making an announcement. While one sale has been made, several others which were pending have, unfortunately, not been completed, and the Prime Minister and the Wheat Board are very much disturbed in regard to the provision of an adequate advance as a first payment to the farmers.

According to the *Age*, the honorable member for Hume (Mr. Parker Moloney), speaking at Pleasant Hill, recently said—

The Country party in the Federal Parliament was largely responsible for the present difficulty in regard to the payment of the Federal guarantee of 5s. per bushel for wheat. *Hansard* could prove that a division took place in the House of Representatives in regard to

the payment of the 5s. cash on delivery at station, but the Country party voted against it. If the Country party had stuck to the Labour party, the cash payment would have been carried. He thought it only just that payment should be made in cash, and he would assist the Country party, if necessary, to have a change made in that direction.

Mr. PARKER MOLONEY.—Every local newspaper giving a full report of my speech made it apparent that I spoke of an adjournment of the House.

Mr. HILL.—I take exception to the statement that if the Country party had stuck to the Labour party payment in cash would have been made. We would have been most happy to insist on payment in cash had we considered that there was money available for it. Were I satisfied now that the Prime Minister could lay his hand on the money required, I would be one of the first to vote for the motion.

Mr. PARKER MOLONEY.—Do you not think that he should be made to honour his pledge?

Mr. HILL.—I differ from the honorable member regarding the interpretation of the pledge, and I differ also from the honorable member for Wimmera (Mr. Stewart) concerning it. The latter reads the Prime Minister's promise of a guarantee for the 1920-21 harvest as the promise of a cash payment on delivery of the wheat at country stations. The farmers in the Wimmera may reason that way, too; but many farmers in Echuea and elsewhere with whom I have conversed, and to whom I have explained the position, see matters as I do. The honorable member for Yarra (Mr. Tudor) said that the farmers would scan the division list on this motion very closely. That does not concern me. If I have satisfied my conscience, I do not trouble about what others may say or think. The honorable gentleman spoke of a pamphlet issued by the Nationalist party, in which the farmer was depicted as smoking a cigar and driving a motor; but there are many farmers in the northern parts of Victoria who to-day are not in that position. Indeed, a very large percentage of the Victorian wheat-growers are very badly off. The members of the Country party wish to do the best they can for the man on the land, and intend to press the Prime Minister to make the wheat payment as large as possible. Many persons

think that the man on the land is having a good time. The honorable member for Yarra spoke of farmers who died leaving large sums of money. I have heard others say that an old "cocky" never dies without having at least four figures to his credit; but there are persons living in the cities who would not go through what the man on the land goes through for forty figures after their names. I was brought up on the land as a boy, and know something of the hardships of the pioneers, who went out into the backblocks and into the green timber to make homes for themselves. They, their wives, and their children formed little co-operative groups which endured the hardships and miseries inseparable from out-back country life, and worked hard throughout their lives. When they succeeded in getting together a little money, it was often not more than some persons in the cities amass within a few weeks. The Prime Minister next week is to meet the heads of the various banking institutions, the Australian Wheat Board, and others, after which he proposes to make a statement regarding the wheat payment; and I believe that he will then say that, at least, 3s. or more will be paid in cash. That in itself would mean an outlay of £21,000,000, which is a very large sum to raise. I hope that we shall have a cash payment of 3s., and that the Government will make provision for the issue of bonds or certificates, which the farmer can cash, so as to bring his first payment up to 5s. I think that there is a chance of that being done, and if it be done, the motion will have accomplished some good.

Mr. RYAN.—How do you suggest that the farmers will be able to cash the bonds for 5s. if the Government cannot get the money?

Mr. HILL.—The bonds will be honoured by the banks.

Mr. RYAN.—Then the banks must have the money.

Mr. HILL.—The statement has been made that Queensland is giving a guarantee of 8s. per bushel to her farmers.

Mr. TUDOR.—Queensland is giving 3s. per bushel, in addition to the 5s. promised by the Federal Government.

Mr. HILL.—Queensland does not grow enough wheat for her own requirements, and, therefore, is desirous of inducing her people to grow more wheat. I believe that a larger area has been placed under wheat in consequence of this offer. There was, however, no need for such an offer in Victoria. Some honorable members opposite have spoken of the cost of production. In an article which appeared in the *Argus* of the 19th October there is a statement which is very misleading. It is this—

When the Pool for the coming season's wheat was mooted, the Victorian representatives urged that some equitable arrangement should be made, but this has not been done. It is expected that the overseas parity next year will be at least 11s. or 12s. a bushel. It is probable that the local price will be raised a little above 7s. 8d., but it is likely to be still substantially below the overseas parity.

The fear of honorable members opposite, which has been expressed by the Leader of the Labour party in the Victorian Parliament, that bread is likely to cost 1s. 6d. per 4-lb. loaf, is quite without foundation. We are not looking for extraordinarily high prices for our wheat. In my opinion, the consumer of bread has nothing to fear in the coming year. If the loaf should be a penny dearer than at present, I shall be glad, because that will mean that the average price of wheat will be somewhere in the region of 8s. 10d. per bushel. My opinion as a farmer is that if the price of wheat averages 9s. for the whole of next year, the farmers will be quite satisfied, and the consumers will not be much hurt. Such a price will help some of the farmers who are in bad circumstances to recover some of the leeway they have made during the last year or two of drought.

Mr. PARKER MOLONEY.—What does the honorable member think would be the equivalent price of bread?

Mr. HILL.—With wheat at 7s. 8d. per bushel, the 4-lb. loaf is now 11d. in the metropolitan area. An increase of 14d. per bushel in the price of wheat would advance the 4-lb. loaf to 1s.

Mr. LISTER.—Bread is 9d. per 4-lb. loaf in Geelong.

Mr. TUDOR.—I was referring to the metropolitan area, and it is the price there that the honorable member for Echuca is estimating.

Mr. HILL.—In my opinion, the average price of wheat for the whole of next year will not exceed 9s. per bushel.

Mr. TUDOR.—Will that cover the cost of production?

Mr. HILL.—It will more than cover the cost of production this year, but it would not have covered the cost of production last year. In Victoria last year, the cost of production was in the region of 10s. per bushel, although the wheat was sold at 7s. 8d. I can truthfully say that the wheat I grew cost me £1 per bushel. I used it for seed; but had I put it on the market, I would have made a loss of 12s. 4d. per bushel.

Mr. FLEMING.—What does the honorable member anticipate his cost of production will be this year?

Mr. HILL.—When harvest time arrives, if I have escaped fire and flood, "take-all," septoria, wind, hail, rust, smut, black smut, caterpillars, locusts, and all the other ills to which wheat is heir, I shall be able to tell the honorable member what my cost of production has been.

Mr. FLEMING.—If the honorable member escapes all those ills?

Mr. HILL.—If I escape all those, and my labourers remain with me instead of making a bee-line for the nearest hotel after the first week's work—

Mr. BLAKELEY.—All country workers do not make a bee-line for the nearest hotel.

Mr. HILL.—Not all of them; but, unfortunately, we get such a poor class of men in the country districts that many of them do. We are not able to pay the wages which would attract the good class of men into the country; but immediately we are able to pay that decent wage, to which I consider every country worker is entitled, we shall attract a decent class of worker. The trouble is with the ordinary travelling class of men.

Mr. TUDOR.—Is there any encouragement for them to remain for twelve months, when only seasonal work is offered?

Mr. HILL.—I believe there is room for scores of thousands of decent-minded men at good wages, better than can be earned in the cities. Country workers experience worse conditions than men in the cities. They and the farmers who employ them work longer hours, for that is

the only way in which they can continue producing.

Mr. GABB.—The honorable member was referring, not to the workers living in the country, but to the floating population?

Mr. HILL.—That is so. We are hopeful that in the years to come we shall receive such returns for all classes of produce that we shall be able to pay a decent wage to the men we employ. At the present time we are offering from £3 to £4 a week and keep, and I maintain that any man who goes into the country is worth that wage, and if he is a decent man he will earn it. I shall vote against the motion, and wait until the Prime Minister makes his declaration to the House next week. If he puts forward a fair and reasonable proposition, I shall accept it; if he does not, I shall be prepared to deal with him.

Mr. BLAKELEY (Darling) [4.56].—During his long speech this afternoon, the Prime Minister (Mr. Hughes) studiously avoided the important question of the guarantee. When he did refer to it he said that it meant something altogether different from the Labour party's interpretation of it. It is only natural for Labour men to interpret a pledge of that character in a way to suit themselves. I am not so presumptuous as to say I am not biased. I am biased against the Prime Minister, and his colleagues and supporters. While they remain on the Government benches they are a constant source of annoyance to me, and the sooner they are removed and the Labour party occupies those benches the better it will be for the country. But, apart from the bias with which we interpret the Prime Minister's pledge, and apart from the apology of the honorable member for Echuca (Mr. Hill) for the Prime Minister, the fact remains that the men who are mostly concerned interpreted that pledge in a certain manner. At Dubbo, Wongaroon, Wellington, Molong, and right through the western wheat-belt of New South Wales, the Farmers and Settlers Association have held largely-attended and enthusiastic meetings. On the north coast and northern tablelands, the Primary Producers Union have held a large number of meetings, and passed resolutions condemning the Prime Minister

for not carrying out his pledge to pay 5s. per bushel at railway sidings. The honorable member for Echuca (Mr. Hill) sought to place a different interpretation upon that pledge. I can quite understand the awkward position in which the honorable member finds himself. He was fooled by the Prime Minister, and having agreed to the scheme put forward by the right honorable gentleman at a meeting of the Wheat Board, he cannot very well attack him in the House for it. The honorable member finds himself in a position which, I believe, he cordially dislikes. There is no doubt that such a meeting was held; that the honorable member attended it, with the Prime Minister; and that certain decisions were arrived at. Thus we find such a wide divergence of opinion amongst the members of the party who claim to represent the primary producers. Such differences are quite usual in the Country party. They are not in agreement as to what the Prime Minister meant by his pledge, and, by attending a meeting and agreeing to certain things, some of them have placed themselves in an embarrassing position. I am not content to allow either the Labour party, the Country party, or the Government to interpret what was meant by that pledge. Let the primary producers interpret it. If the organizations of Farmers and Settlers in the wheat-producing States, were to take a referendum of their members as to what the farmers themselves understood by the pledge, I have not the slightest doubt as to what the result would be. Let the men who are producing the grain, who have to meet liabilities, and are carrying mortgages, and who, even after this potentially magnificent season will still be in debt, say what the pledge means. If the Government and the Country party are in earnest they will allow the primary producers themselves to decide, and I am convinced that they will decide that the only interpretation to be placed on the Prime Minister's promise was that they should receive 5s., in cash, on delivery of their wheat at railway sidings. Members of the Country party know perfectly well that if that pledge were carried out the wheat could not possibly leave the sidings until it was paid for, but there are hundreds of sidings at which the wheat is not kept. There are in Victoria many sidings where wheat is received, but none

of them are depots, and the wheat is immediately shifted from them to some other bigger siding. If the words "5s. at railway sidings" mean anything they mean that before the wheat leaves the railway siding it should be paid for.

Mr. RODGERS.—That is a technical expression to show that the price is *ex* freight.

Mr. BLAKELEY.—Will the Assistant Minister, on behalf of the Government, promise to allow the farmers to interpret the pledge?

Mr. RODGERS.—I will not allow the honorable member to place his interpretations upon it.

Mr. BLAKELEY.—After grossly misrepresenting the policy of the Labour party the Prime Minister made certain declarations, the main one of which was that next week a meeting will be called at which the minimum amount to be paid in January next will be decided.

Mr. BAMFORD.—For local consumption.

Mr. BLAKELEY.—Yes. The Prime Minister made another statement, just as important, that transactions involving millions—whether he meant millions of bushels or pounds, I do not know—had been consummated; and that a very large sale indeed had been made at a reasonable price. I endeavoured to ascertain from him how much had been sold, and what price it has brought. If a large sale has been made, the farmers of this country should know it. Why the secrecy? It is their wheat. It is their business. Why will not the Prime Minister give the information to the representatives of the people in this House, when he has it? It was interjected that business men do not divulge their transactions; but are we to wait until the whole of the wheat has been disposed of before we find out what amount has been sold, and what amount has been received? It is the duty of every member of the House to press immediately for the information.

Sir JOSEPH COOK.—If the honorable member wants the information very badly, why does he not address a letter to the Pool? I have no doubt they will tell him.

Mr. BLAKELEY.—I have endeavoured to elicit it from the Prime Minister this afternoon.

Sir JOSEPH COOK.—The Prime Minister does not control the Pool.

Mr. BLAKELEY.—He has the information, and as Prime Minister of Australia, responsible to the people, he should give it.

Sir JOSEPH COOK.—Why not ask the honorable member for Echuca (Mr. Hill)? He knows just as much about it.

Mr. BLAKELEY.—I do not know whether he does or not. In any case, it is not his duty to give the information. It is the duty of the Prime Minister.

Mr. HILL.—I think the withholding of the statement is in the best interests of the man on the land.

Mr. BLAKELEY.—No doubt the honorable member is in earnest when he says that it is in the best interests of the man on the land.

Sir JOSEPH COOK.—Of course, that does not appeal to you.

Mr. BLAKELEY.—It appeals to me probably more than it does to the right honorable gentleman. If the information is not made public to-day, it will be made public eighteen months before the last of the wheat has been disposed of. If to divulge now the quantity sold and the price will affect adversely the man on the land, then any similar declaration until the whole of the wheat has been cleaned up, or until so little remains of it that it does not matter, will also have an adverse effect. On the face of it, the claim is ridiculous. I want to know how much has been sold, how much money has been received, and how much money is going to be paid.

Mr. RODGERS.—If negotiations were going on for sales to other purchasers, do you think it would be in the interests of the farmers that we should disclose the prior price?

Mr. BLAKELEY.—We could be told quite frankly how much money has been returned to the Commonwealth, and how much can be given per bushel upon delivery. This could be done without affecting any future sale.

Sir JOSEPH COOK.—I believe that is done every week in the papers.

Mr. BLAKELEY.—The right honorable gentleman does not believe anything of the kind, because no information has been given in regard to that matter.

The Prime Minister this afternoon spoke of giving the farmers world's parity. The policy of the Labour party will, I think, give the farmer more than world's parity. I should say "London

parity" instead of "world's parity," because world's parity so far as the 1920-21 crop is concerned will probably not be available until the end of 1922.

Mr. BAMFORD.—What do you understand by world's parity?

Mr. BLAKELEY.—Obviously, it must mean the average price for the world. That cannot be found out from day to day and week to week and month to month.

Mr. BAMFORD.—Would that be the price in London or here?

Mr. BLAKELEY.—World's parity is obviously quite a different thing from London parity. You must consider the Argentine price, the European price, and the price of all the other countries of the world. I should say that London parity is usually meant when world's parity is mentioned. There have been years in Australia when London parity was considerably less than the cost of production, and it is not beyond the realms of possibility that for the crop of 1922-23 London parity will be considerably below cost of production. If there is one thing the Labour party of this country do not want it is to see the farmers of Australia dependent upon a London parity which is below the cost of production.

Mr. ROBERT COOK.—We are quite satisfied with world's parity.

Mr. BLAKELEY.—Yes, provided that it is over the cost of production.

Mr. ROBERT COOK.—It does not matter about your "ifs," and "ans."

Mr. BLAKELEY.—The honorable member is only contented provided that it will return him a profit. If the London parity will not pay the farmer the cost of production he immediately asks for some assistance. The Labour party guarantee to the primary producer a fair return irrespective of what he produces. The Prime Minister said this afternoon that we would pick out only one section of the community for special treatment, but we say that the cost of production should be ascertained, not only for wheat, but for the whole of the primary products of Australia. We say that a price should be fixed for all the primary products consumed in Australia, which will give to the primary producer fair wages and conditions for all labour employed in the production of the crop, including his own family, plus a reasonable profit. That refers to local consumption. We say also that the whole of the instrumentalities

of the State will be available for the disposition of the exportable surplus. The honorable member for Indi (Mr. Robert Cook) says he is satisfied with world's parity. I can take him back ten years, to a time when he was not satisfied with it. I can take him back even five years to a similar condition of affairs. The following are the records of London parity:—

Year.	s.	d.
1861	6	8½
1871	6	10
1881	5	7½
1891	4	0½
1902	3	6
1903	3	8
1904	3	6½
1905	3	8½
1906	3	6
1907	3	9½
1908	4	0
1909	4	7
1910	3	11½
1911	3	11½
1912	4	4
1913	3	11½
1914	4	4
1915	6	7
1916	7	3½

What hope have the primary producers of Australia of making a living with London parity at 3s. 6d. per bushel, as it was in 1902 and 1906? It is absolutely impossible for a farmer to do any good for himself at those rates. Although the London parity for 1916 was 7s. 3½d., the cost of production for that year was very little, if at all, below it. While London parity to-day is in the vicinity of 16s., there is absolutely no guarantee that it will be maintained at any such height for the 1922 crop. With the release of Roumania's crops, with any kind of crops of rice next year, and with the release of the grain from Russia, which is the granary of the world, London parity will, in all probability, be below the cost of production in Australia, and if there is one thing that the Labour party desire to avert, it is a return to the bad old days when the farmer, without knowing what he was to get, went blindly into produce, depending upon the kind middlemen, with their trafficking and gambling, to look after him. The Labour party believe that such trafficking should end. They say there should be no gambling in our primary products. The honorable member for Echuca (Mr. Hill) talks of bonds. Will he give the farmer bonds like the scrip that he gave him during the past few years, and allow

him to become the shuttlecock of those people who have been battenning upon him?

Mr. HILL.—No. I meant to say scrip or bonds in addition to his ordinary wheat scrip.

Mr. BLAKELEY.—He must negotiate these bonds, and if the private capitalists of this country negotiate them for him they will require payment. If they can negotiate his bonds for him, why cannot the Government negotiate them? What is easier than to issue bonds negotiable by the Government, or to make a special note issue, and, when the wheat is sold, to withdraw those notes from circulation? If the private banking institutions of this country can give bonds, as according to the honorable member for Echuca they can, it is quite possible for the Government to help the farmer by giving him cash.

Mr. JOWETT.—The honorable member for Echuca did not suggest that the private banking institutions should give the bonds.

Mr. BLAKELEY.—He spoke quite frankly of bonds apart from scrip.

Mr. HILL.—Bonds issued by the Government.

Mr. BLAKELEY.—So far as scrip is concerned, we have seen illustration after illustration during the past few years, in the wheat belts of New South Wales, Victoria, and South Australia, of how men are paid to go round and buy up certain scrip on receipt of given signals. Time after time most sinister moves were made by agents throughout the whole area covered by certain classes of scrip.

Mr. RICHARD FOSTER.—I have warned the farmers every time when those travellers have been going round.

Mr. BLAKELEY.—The honorable member knows that concerted arrangements were made upon information supplied, and immediately the information was supplied the agents went around buying in the scrip. Then, directly as much scrip as possible was bought up, a payment was made on B, C, or D scrip, as the case might be. Is it the intention of the Government to allow that trafficking and gambling to go on as it has done in the past? I hope not, but unless the Government are prepared to give the farmers, at least some guarantee, some cash, the same conditions will obtain. In New South Wales the growers will be in the fortunate position of get-

ting, no matter what occurs, 2s. 6d. per bushel in immediate cash upon delivery, because a Labour Government is in power in that State, whereas in Victoria and South Australia they will be lucky if they get anything. According to the Prime Minister they will possibly not get anything until January.

Sir JOSEPH COOK.—Are you quite sure they will get anything in New South Wales?

Mr. BLAKELEY.—Yes.

Mr. RICHARD FOSTER.—How do you know?

Mr. BLAKELEY.—Because the Labour party have promised, and will keep their promises provided that the Commonwealth Government keep their promises. In Victoria and South Australia wheat which is delivered in November-December will be placed there, and the grower will be given a receipt and scrip, and will immediately start to negotiate that scrip. Then the farmers will find themselves at the mercy of the capitalists. That should not be allowed to continue. If I have £1,000 worth of wheat in a Pool, I want £1,000 out of it; but, instead, I have to pay exorbitant rates of interest in order to sell my scrip at less than its value. Yet, the Government are continuing this business. The honorable member for Echuca (Mr. Hill), who is truly representative of the farmers, has made no effort to prevent gambling in scrip. The honorable member has told the House that it cost him last year £1 a bushel to produce his wheat. That means that he lost between 11s. and 12s. per bushel. How many farmers in Australia can stand that loss? What do the Government propose by way of meeting and helping such cases? Obviously, in a bad season the people of Australia must make some provision to protect the farmer. The primary producer has a duty to perform to the community; and, in return, the community has a duty by the farmer. The only way in which to stabilize our primary industries is to eliminate gambling, and to insure a fair return to the producer for his labour. The Labour party, by laying down a Federal policy concerning wheat, will approach more closely to what is required in this country than either the Government or the Country party are likely to do. The honorable member for Echuca spoke of the enormous difficulty

of finding the large sum of money involved in a cash payment of 5s. He "pooh-poohed" the idea of being able to pay 5s. per bushel at railway sidings, and pointed out that such payment would run into a matter of about £35,000,000. While it was absolutely impossible to find that sum, he hoped to be able to pay 4s., which would involve a matter of £28,000,000.

Mr. HILL.—I did not say that I hoped to be able to find 4s., but that the Government would be able to do so. I am not controlling the finances of this country.

Mr. BLAKELEY.—If the honorable member for Echuca and his colleagues were to join with the Labour party upon this motion, the Government would find the money well enough.

Sir GRANVILLE RYRIE.—The honorable member just said that it would be impossible for the Government to find the money.

Mr. BLAKELEY.—No; I have said all along that I believed the money could be found. Even if the Government were to make a payment of 3s., that would involve an aggregate of £21,000,000—according to the honorable member for Echuca, whose figures are approximately correct. When it comes to a matter of so many millions, the difference between finding 4s. cash per bushel and 5s. is relatively small. There is scarcely a farmer in Australia to-day who is free from debt. I am fairly certain that, in New South Wales, there are very few farmers who are now in a solvent position. With regard to Victoria, I can only accept the evidence of representatives of country districts; and they speak unanimously of the extraordinarily bad conditions under which the farmers have laboured. Let us take, as typical, the circumstances of the honorable member for Echuca, who has lost, I now understand, something like 12s. 4d. per bushel, because of the utterly bad season last year. What did the promise of the Government mean? Either that the payment was to be made or that it was not. Of course, I am biased in my interpretation of the promise, and, probably, the Labour party as a whole is biased. I say, therefore, "leave it to the farmers to decide." We have been reading in the newspapers resolution after resolution of protest from farmers all over Australia. It is clear that they anticipated

5s. per bushel cash. I hope the Country party will vote with the Labour party on this occasion. If they desire to secure 5s. for the farmers, they can succeed by supporting honorable members on this side in the forthcoming division.

Mr. RICHARD FOSTER (Wakefield) [5.29].—As one to whom the wheat question is a matter of bread and butter, I desire to say a few words. The curse of the Pool system is politics. If the Pool method of dealing with Australia's wheat is to be made of the greatest possible use to the farmer, the less politics has to do with it the better. We have been afforded evidence of that fact to-day. We have heard of petitions emanating from farmers; these petitions would not have been possible but for political twists given to the pooling question for political purposes.

Mr. GIBSON.—When, and by whom, were these political twists made?

Mr. RICHARD FOSTER.—I have been chasing the mystery for four years, until I have just about lost all hope of solving it. There has been a determination to press the inquiry for information concerning sales of coming season's wheat, and prices realized, and it appears that this pressure is to be kept up until the desired information has been given. I do not know that I need remind honorable members that the sale of wheat is one of the most delicate operations known to commerce.

Mr. HILL.—When that last supposed Egyptian sale was made, freights had not been secured. Freights went up £2 a ton.

Mr. RICHARD FOSTER.—That is quite true. The Wheat Board has complained, and very properly, concerning the furnishing of particulars which ought never to have been disclosed except by the Board itself. To-day we have prospects of a bumper season. We are looking for a record yield. All the wheat consuming world is turning towards Australia, and wants to know everything possible about what we are doing. The world outside would like to know all about the deals already made in regard to this season's wheat. But it is not the business of the Board to make this information known. I am delighted, therefore, that the Prime Minister has refused to give specific details. I hope the particulars will not be made

public until the Board has agreed to such a course.

Mr. LAZZARINI.—By which time the wheat speculators will have got hold of all the wheat.

Mr. RICHARD FOSTER. — The world's wheat operators know more about conditions in Australia to-day than we think they know; but it is not our business to inform them. I was particularly interested in the statements of the honorable member for Darling (Mr. Blakeley). He gave an historical review of the prices of wheat during many years, and went back to the days when wheat had to be sold at less than it cost to produce. Let me ask honorable members opposite, would they, in one of these drought years, or in a year of world's low prices, make up to the farmer what it cost him to produce and put his wheat on the market? Of course not! I am satisfied, as a representative of South Australian farmers, with the statement of the Prime Minister to-day. His utterance amounted to this: "The best price will be paid down at the railway siding nearest to the farm that the financial resources of the country can make possible." Is any honorable member dissatisfied with that statement? Comparisons have been instituted, and questions asked, concerning why the whole of the 5s. guarantee should not be paid this year on the spot, seeing that it was paid at railway sidings last year. If the resources of this country will enable the Wheat Board to pay 3s. per bushel at the railway sidings as the first payment this year, it will be infinitely better for the farmer than was the payment of 5s. per bushel last year, because of the increased yield.

Mr. LIVINGSTON.—It will be worth twice as much.

Mr. RICHARD FOSTER.—I come now to the construction which the honorable member for Darling (Mr. Blakeley) put upon the statement of the honorable member for Echuca (Mr. Hill) that he had lost 12s. or 13s. per bushel last year. The former did not explain why the latter had lost it. It was because the honorable member for Echuca had only a limited quantity of wheat, which he had to put into the ground again as seed. But a misleading construction has gone forth to the country, where it will create discontent amongst

the farmers, who have been misled for political purposes.

Mr. BRENNAN.—They can see through it.

Mr. RICHARD FOSTER.—I am quite sure the honorable member understands that when he has only 2s. 6d., he cannot pay 5s. But I have no doubt that he would get the other 2s. 6d. if it were possible to do so.

I desire now to say a word or two upon the question of wheat scrip. There are two sides to this question. Wheat scrip was placed upon the Stock Exchange because there was a demand that it should be placed there. Personally, I do not like trafficking in wheat scrip. I have wheat in every Pool, but the only scrip I have sold was that issued in connexion with the first Pool. This I sold for 1½d. The reason I sold it was that I was pretty satisfied there would be no more cash to come, and I thought that I might lose ½d. But I was chiefly actuated by a desire to clear up the business for that year. Apart from this one transaction, I have not sold any wheat scrip. But when I have found speculators sending travellers from farm to farm in the country districts, I published a warning to the farmers.

Mr. ROBERT COOK.—Did the honorable member buy the scrip himself?

Mr. RICHARD FOSTER.—I did not. I have never bought a ha'porth of scrip. But I advised the farmers, through the press, to be careful. I pointed out to them that if it would pay certain firms to send men round to their farms with a view to purchasing their wheat, it would pay them to keep it. Personally, in the general interests of the farmers, I wish there were no wheat scrip transactions. But there is another side to this question, namely, that a great many farmers insisted upon such transactions, and benefited from them. Many speculators made a lot of money out of wheat scrip, and a great many lost scores of thousands of pounds by investing in it. I suggest that, as far as possible, we should leave this business to the Australian Wheat Board and to the farmers' representatives upon that Board. Possibly it would be a fair thing if the Board again allowed the farmers to say whether, in the light of their

experience of the past few years, they desire to have scrip upon the Stock Exchange as a negotiable scrip this year. It is their business, and they should be allowed to decide it.

So far as the advance at railway sidings is concerned, I desire to stress the fact that the Government should pay all that is possible under existing financial conditions. I sympathize very much with the farmers of New South Wales, because they have experienced a gruelling time, particularly during the past two years; but they are not the only sufferers. The farmers upon the west coast of South Australia have been in a deplorable condition. But when they get their wheat scrip—whether it is negotiable or not—it will be a mighty good security. We ought not to lose sight of that fact. Some persons talk as if it will be no solid security at all. I hold that it will be a good security, and unless the farmer is in a most desperate condition, I cannot conceive that he will not be able to make financial arrangements to tide him over the period until he receives his full payment. So far as the farmers of Australia are concerned they were indebted to the National Government throughout the war period in connexion with the operations of the Australian Wheat Board, and the guarantees which were given to them. It should always be remembered that this Parliament deals only with the financial aspect of this business, and has nothing whatever to do with the care of the wheat. That is a question which has to be dealt with exclusively by the States. I am grateful that things are developing in a direction which, I believe, will be favorable to the farmers, and if present prospects are realized, the people of Australia will find that the wheat, above all other primary products, will prove a perfect god-send to this country in a time of trouble.

Mr. GIBSON (Corangamite) [5.45].—One would imagine from the speeches of honorable members opposite that members of the Country party had not been looking after the interests of the people. As a matter of fact, we have been watching with keen interest the proposed guarantee of 5s. per bushel for the coming wheat crop. But the Wheat Board was not constituted until three weeks

ago, so that it was impossible for anything to be done in this connexion prior to that time. I am not prepared to condemn the Government until we have heard what they intend to do in respect to the guarantee of 5s. per bushel. I hope that the Prime Minister will be able to give the wheat-growers something substantial by way of the first payment for their wheat. When we recognise that last year the payment was 5s. per bushel at railway sidings, and that this amount was paid in one sum, we at once understand why the farmers expect to receive 5s. per bushel as a first payment this year. However, I do not expect it. I regarded the promise of the Government purely as a guarantee to the States that the Wheat Board would pay that amount to the farmers.

Mr. BRENNAN.—What meaning does the honorable member give to the expression "at the railway siding"?

Mr. GIBSON.—I interpreted the undertaking of the Government as a guarantee that the farmer would receive at the nearest railway siding at least 5s. per bushel for his wheat.

Mr. RICHARD FOSTER.—Less freight.

Mr. GIBSON.—Yes. The minimum amount which he will receive is 5s. per bushel. Last year that amount was paid in one payment, and consequently the farmers expect that a similar amount will be paid this year. I believe that the Prime Minister should have made his statement just a little clearer.

Mr. HAY.—If 4s. per bushel is realized for the wheat the Commonwealth will have to pay the other 1s. per bushel?

Mr. GIBSON.—Yes. The Assistant Minister (Mr. Rodgers) has pointed out that the wheat yield last year amounted to 35,000,000 bushels.

Mr. RODGERS.—That is omitting wheat for seed and farm requirements.

Mr. GIBSON.—The payment which it was necessary for the Government to make upon that yield amounted to only £8,250,000, but a payment of 5s. per bushel upon a yield of 150,000,000 bushels this year will represent a sum of approximately £37,000,000. The individual farmer will, therefore, receive four or five times as much in his first payment this year as he received last year. I feel sure that the farmers of Australia will view this matter in a reasonable light. They do not expect the Government to

do impossibilities. Honorable members opposite are asking the Government to provide money which is not available. I was pleased to hear the Prime Minister declare to-day that the financial resources of this country will be ransacked for the purpose of paying the largest possible amount to our producers. A great deal has been said about the idealistic scheme which has been propounded by the Labour party, and under which the primary producer would receive the cost of production plus a reasonable profit. Any such scheme is absolutely impossible and impracticable. How we could arrive at the cost of production, I do not know. In one of my own paddocks, production costs twice as much as it does in another paddock.

Mr. BRENNAN.—Why, you farmers have been telling us every day exactly what it costs to produce a certain article.

Mr. GIBSON.—Has the honorable member ever known two of those statements to agree?

Mr. BRENNAN.—I have listened to them with great attention.

Mr. GIBSON.—I understand that the honorable member has done a little wheat-growing himself; but he has discovered a more profitable occupation, and has therefore come into the city. A great many honorable members opposite think that they know something about production, when, as a matter of fact, they know nothing about it.

Mr. LAVELLE.—I have been in the business all my life.

Mr. GIBSON.—And the honorable member is regretting it very much. He, too, has found a more profitable occupation.

Mr. LAVELLE.—If the Government would only honour their promises, wheat-growing would be profitable.

Mr. GIBSON.—Honorable members opposite say that they will give us the cost of production plus a reasonable profit; but what are they going to do when we experience a drought year, or when our crops become affected with the diseases of which the honorable member for Echuca (Mr. Hill) spoke. Perhaps I may be permitted to point out what Sir Joseph Carruthers, of New South Wales, says upon this matter.

Mr. LAVELLE.—Is that the Carruthers of land scandal fame?

Mr. GIBSON.—I do not know anything about that; but I do know that Sir Joseph Carruthers is an authority upon farming matters and wheat-growing. That gentleman says—

In New South Wales there were produced, in five years, 138,000,000 bushels of wheat for an average return of 3s. 10d. per bushel. It did not pay the cost of production.

Are honorable members opposite prepared to make good out of the funds of the consumers the losses sustained by the farmers who produced that wheat? That is what they will be called upon to do. The Government of New South Wales advanced £1,000,000 to help the farmers to carry on. Why did their Labour Government not give them that money instead of advancing it to them? They were entitled to it surely to make good the difference between the cost of production and the price realized.

Mr. LAVELLE.—The New South Wales Government advanced £2,000,000.

Mr. GIBSON.—They did not make up the losses sustained by these farmers. It is an impracticable proposition, and I am sure the wheat-growers of this country are not going to swallow it. The Leader of the Opposition (Mr. Tudor) spoke of a farmer who had succeeded in raising only two crops in ten years. Are the Labour party prepared to make good the losses sustained in such cases?

Mr. LAVELLE.—Of course we are.

Mr. GIBSON.—I do not know where they would get the money.

Mr. RODGERS.—They would do that and also keep down the price of the loaf.

Mr. GIBSON.—Yes. They promised cheap bread and at the same time a high price for wheat. The different States of the Commonwealth have purchased over 10,000,000 bushels of wheat for local consumption at an average price of 7s. 8d. per bushel. That portion of it which has been used during the last four months was sold at 5s. per bushel less than the wheat-growers of Australia could have obtained for it on the world's market. There are only 14,000 wheat-growers in Victoria, and each of them has thus had to make a sacrifice of £80 to enable the local consumer to get his wheat at 5s. per bushel below London parity. That is what is happening to the wheat-growers of the Commonwealth to-day.

It is only reasonable that we should stay our hands until the Prime Minister has had an opportunity to make a statement on this subject. As I have already said, the Australian Wheat Board was created only three or four weeks ago. As a matter of fact, I understand that it has not yet been constituted, because the Government of New South Wales have refused to pass the Wheat Marketing Bill unless there is inserted in it a provision that wheat for local consumption shall be available at less than the world's parity. We ask for world's parity for our wheat. In other words, we ask for our wheat what the supporters of the Labour party ask for their labour. That is my position.

Mr. LAZZARINI (Calare) [5.55].—I am rather surprised at the partiality displayed by members of the Country party for conferences with banking and other financial institutions, which have been battenning on the farmer since this country was colonized, and, for the most part, have been making their huge profits out of him. The honorable member for Echuca (Mr. Hill) has told us that the Conference to which the Prime Minister has referred is to take place with representatives of banking and other financial institutions in order to ascertain how much they are prepared to dole out to the farmer in payment for his legitimate product. The honorable member for Corangamite (Mr. Gibson), who has just resumed his seat, made a brief quotation from a statement made by Sir Joseph Carruthers. Only a few days ago that gentleman advocated a scheme which the Treasurer (Sir Joseph Cook), by way of interjection, brushed aside as impossible, and for which I certainly do not hold a brief. He advocated a note issue based on the security of our wheat. I think there is a better system to be devised. If there is one matter in respect of which the Government is more deserving of censure than for any other, with the exception of its failure to deal with the high cost of living, it is its repudiation of this pledge, which it made at the last general election. In his Bendigo speech the Prime Minister (Mr. Hughes) guaranteed the wheat-growers 5s. per bushel for their wheat delivered at railway sidings. He tells us to-day that he does not know whether that pay-

ment will be made on delivery or three months or six months later. According to some honorable members who have spoken, if it is paid six months hence or just before the next general election the Prime Minister will have redeemed his promise. I am inclined to think that the farmers will have to wait months for their money, and will then be told, "If you do not return the Nationalist Government to power you will not get the balance due to you under this guarantee." It is absolutely essential that this 5s. per bushel should be paid immediately on delivery of the wheat at railway sidings. Unless that is done thousands of farmers, of whose hardships honorable members of the Country party are constantly reminding us, will be unable to carry on with any hope of financial stability. We are told that the farmers do not construe the pledge as we do. The honorable member for Echuca says that the farmers did not regard it when given as a pledge that 5s. per bushel would be paid on delivery, and that they are not looking for anything of the kind. In reply to that statement I shall read one of many resolutions which have been sent to me from organizations of primary producers. Before doing, so, however, I would remind honorable members that this motion of censure relates to one specific matter, and that is the failure of the Government to honour its guarantee. That being so, all the talk to which we have listened in regard to world's parity, the ideal policy of the Labour party, the inner workings of Labour organizations, and the statements of Labour members, is quite irrelevant. It is merely a smoke-screen to cloud the real issue: the failure of the Government to redeem another of the many pledges that it made when it went to the country on the occasion of the last general election. The following resolution passed by the Chamber of Commerce at Grenfell has been forwarded by me to the Prime Minister:—

That the Prime Minister be communicated with, pointing out that this Chamber urges his Government to pay their guarantee of 5s. per bushel on delivery of the wheat by the farmer at the receiving station, as it was due to the Government guarantee of 5s., and the inference that the 5s. would be spot cash on delivery, that the majority of the farmers put in such crops.

In this resolution, the point is emphasized that the interpretation placed upon the Prime Minister's promise by the primary producers was that a cash payment of 5s. per bushel would be made on delivery of the wheat at railway sidings, and that it was because of this that many people were induced to increase their areas under cultivation. As a result, we have throughout Australia to-day countless waving fields of corn which would not otherwise have been sown. The resolution continues—

Also pointing out that, owing to severe losses caused by the drought, a substantial payment on delivery is required in order to enable the farmer to carry on at all; and it will be considered bad faith on the part of the Government if that guarantee is not paid.

I have received a copy of a similar resolution passed by the Young branch of the Farmers and Settlers Association, and also numerous individual protests, but it is unnecessary for me to read them. I venture to say that every representative of a farming constituency in New South Wales has received copies of similar resolutions and protests.

The honorable member for Wakefield (Mr. Richard Foster), in his closing remarks, referred to the subject of wheat gambling. The Prime Minister taunted honorable members of the Labour party with being under the control of certain individuals and organizations. The Government is probably withholding the payment of this 5s. per bushel at the behest of some of the organizations that control the Prime Minister, who is always ready to accuse us of being controlled, and not having a voice of our own. We are all aware of the scandalous business that went on all over the country in connexion with gambling in wheat securities, and we know that, immediately this wheat is delivered and a small payment is made in respect of it, scrip will be issued. Those farmers who are not in a satisfactory pecuniary position, finding themselves embarrassed, will immediately have to go on the market and sell that scrip, with the result that the man who never grows wheat or sees it will be able to go on the Stock Exchange, purchase the scrip, and hold it until he gets a higher price for it. That is the class of man who makes huge profits out of these wheat deals.

Mr. RODGERS.—The price paid for the scrip issued by one of the Pools in South

Mr. Lazzarini.

Australia, unfortunately, exceeds the value of the wheat represented by the scrip.

Mr. LAZZARINI.—Possibly so. Does the honorable gentleman think that the quantity of wheat sold is never greater than the wheat actually produced? In the United States of America in 1916 more wheat was sold than had been produced in that country since its colonization.

Mr. RODGERS.—All that I wished to show was that the holders of the scrip in question had paid for it a price in excess of the value of the wheat in respect of which it was issued. That shows something of the gambler's risk.

Mr. LAZZARINI.—That is where the gambling comes in. I intend that small payments by way of instalments are made in the interests of the middlemen and wheat gamblers of Australia. The honorable member for Wakefield said that he had not sold any of his wheat scrip, but small farmers cannot afford to hold their scrip. They have to realize at the earliest moment, and are consequently at the mercy of the financial institutions, and the city wheat gamblers who regulate the market, and decide just how much they shall get for their scrip.

The Leader of the Opposition (Mr. Tudor) has referred to a question asked by the honorable member for Riverina. Many such questions are put in this House, and many speeches in support of the farmers are also made by honorable members, who yet vote solidly to keep the Government in power when the division bells ring. The sincerity of the professions of such honorable members can be tested only by their deeds. The honorable member for Echuca supported the Prime Minister's contention that this was merely a guarantee that the farmer would get at least 5s. per bushel for his wheat. We all know what is the price of wheat to-day. We know the conditions of the world's market, and no honorable member possessing a knowledge of farming, and of the conditions of the world to-day, would assume that there was a possibility of the farmer not getting 5s. per bushel for all the wheat he could produce. The only difficulty might be the absence of shipping, necessitating the wheat being held in Australia for some time.

The question of finance, to which I shall refer presently, has really nothing

to do with members on this side of the chamber, as it is not our duty to tell the Government how they should finance a proposition of this character in order to redeem their pledges. The Prime Minister (Mr. Hughes) made a clear and definite promise at Bendigo, and it is the duty of his Government to raise the money to redeem that promise. If the Government cannot do that, the only sensible course open to them is to get out, and make room for some one who can do what we suggest. The Prime Minister also stated that we wanted to discuss this motion yesterday, and he said, as plainly as one possibly could, that a domestic quarrel in his Cabinet was of more importance than the interests of the primary producers of Australia.

Mr. JACKSON.—He did not say that.

Mr. LAVELLE.—He did say it.

Mr. LAZZARINI.—I heard him say it; and perhaps the honorable member for Bass was not in the chamber when the statement was made. A reference to *Hansard* will show what he actually did say, and those who are interested will be able to place their own interpretation on his remarks. The Prime Minister also stated that we pledged ourselves to pay 5s. cash, and, by some roundabout method, endeavoured to make a comparison between the war gratuity pledges of the Government and those of the Labour party in regard to wheat. On his own showing our promise was one of 5s. cash on delivery; and that, of the Prime Minister, according to his Bendigo speech, was also 5s. cash on delivery. We therefore did not say that the Nationalists were not offering 5s., because we do not misrepresent our opponents when appealing to the electors. We are prepared to leave it with the primary producers and the people to prove that the Government agreed to pay a cash payment of 5s., and we said that that was the lowest amount the farmers should get. We did not tell the wheat-growers that they were not going to receive it, because we believed that the Government would honour their pledges.

In connexion with war gratuities, it is true that the Government said that they were not prepared to pay in cash, and that the Labour party were. Had the Prime Minister not made it clear in unmistakable terms that it was the intention of his Government to pay 5s. in cash at the

railway sidings, it would have been an easy matter for the members of our party to have said that the Government would only pay that amount if a lower rate were received, and to have made political capital out of it.

I desire, also, to refer to the long-drawn-out, wide, and rambling statement of the Prime Minister, in which he charged this party with being under the control of outside influence in this matter. He went back over a period of five years, and resurrected utterances which, after all, are of little consequence. He spoke of the inner workings of our organization during the past twenty years, and abused it with all the powers at his disposal. I asked the Prime Minister, by interjection, which he did not answer, at what period during his membership of the party he discovered all this falsehood and intrigue. It would be interesting to know whether it was during the last year of his membership. If so, he is a thickhead, and not the brainy man some consider him to be, if he submitted to all this dishonesty while it suited him, and only now protests—

Mr. JOWETT.—Perhaps it was a cumulative process.

Mr. LAZZARINI.—Perhaps it was, and one that was controlled by self-interest. The Prime Minister also dealt with the elementary stage of primary production, and referred to our forefathers, who, in their early days, hunted wild animals in the jungle. He spoke as if he was teaching children in a kindergarten, and I thought for a time that he was dealing with wool—on the information he had received at Wagga—and not with wheat-growing.

Mr. JOWETT.—Perhaps he was studying rams up there.

Mr. LAZZARINI.—Possibly he was, but that has nothing to do with the question. I would not have referred to this if the Prime Minister had not indulged in recriminations simply to raise a smoke screen in an endeavour to obscure the main issue. He cannot get away from the facts to which members of this party intend to pin him. He also referred to New South Wales, and made reference to the State of Queensland.

Mr. JACKSON.—Will the honorable member tell us something about Queensland?

Mr. LAZZARINI.—The Labour party in Queensland has a working majority of its own supporters, and is not hanging on to office by the skin of its teeth, and depending on the support of Labour "rats."

We are not responsible for financing the scheme, and it is not our duty to tell the Government how that can be done. The Prime Minister and honorable members have raised the financial aspect as one of the principal objections, and reference has also been made to a note issue. Sir Joseph Carruthers, who at one time was Treasurer of New South Wales, is not a "noodle" in dealing with financial problems, and he advocated in the Legislative Council of that State only a few days ago the issue of paper money.

Mr. MAXWELL.—Negotiable scrip amounts to the same thing.

Mr. LAZZARINI.—It does not; because a note cannot be manipulated on the Stock Exchanges, as scrip can. Personally, I am not in favour of such a note issue, because I believe that instruments of credit can be handled with less risk. The idea behind the note issue is to cancel the notes as realizations are made; but there is always the danger of the day when the notes will be destroyed never being reached. It would be the simplest thing in the world to extend into the large centres of our wheat areas the operations of our Commonwealth Bank, so that immediately a farmer delivered his wheat he could open up a cash credit to its full value in the books of the bank.

Mr. ROBERT COOK.—And have a clerk in every big field.

Mr. LAZZARINI.—The honorable member is only displaying his ignorance in making such a suggestion. There would not be any need to charge the farmer any interest at all, because immediately he opened up a credit he could operate by cheque, and notes would not be required. When his wheat was disposed of, his cash credit could be cancelled, and the whole operation completed. Some honorable members laugh at such a suggestion, but in doing so they are ridiculing the opinion of some of the world's financial experts. The Government are not prepared to extend the operations of the Commonwealth Bank in this direction, because it would

be the means of interfering with the work of other financial institutions which are controlled by their political supporters. It is useless and foolish to refer to the difficulty of financing the scheme, because it can be done quite simply. Money is nothing. We have been informed that a large sum will be involved, and that notes would have to be issued, but it must be remembered that in dealing with, say, £35,000,000, there is never more than a few thousand pounds of that amount actually in circulation. It is merely a matter of establishing credit, and the whole scheme could be easily financed without involving the expenditure of even 1d. for interest on borrowed money. It is easy for honorable members to ridicule the suggestions I have made, but they should remember that in doing so they are displaying their ignorance and opposing propositions that have been put forward by the best financial experts the world has ever known.

Mr. ROBERT COOK (Indi) [6.19].—The members of the Country party are pleased indeed to find that they have so many friends in this chamber, and, according to the statements that have been made this afternoon, it appears that in the near future the poor struggling farmer will be able to achieve all he desires. The motion has been the means of giving honorable members an opportunity of discussing the whole situation; and I must confess that until the Prime Minister spoke, I felt, with others, that the farmer was not getting a fair deal. This, perhaps, arose from the fact that the Prime Minister has remained silent altogether too long, with important information at his disposal. However, the explanation he has made is so definite that I feel we can take it for granted that we are going to receive reasonable treatment. We have heard a great deal about monopolies, speculators, and private capitalists; but, though the Pool had many faults, it was a godsend to the whole producing community. It was the first Pool of which we had experience, and, no doubt, mistakes were made; and from these mistakes we ought to benefit. In the future we should be in a position to get rid of parasites, and be able to handle our wheat in an economical way. Much has

also been said about the high cost of bread, and other side issues, but there is one way of escape from these difficulties, and that is by the channel of co-operative effort. By such means we ought shortly to be able to send our wheat from the fields to our own flour mills, exporting the balance to the world's markets. If the industrial population would only give more attention to the great system of co-operation, it would minimize the cost of living to such a wonderful extent, that they, on the one hand, would find no use for organizers, and the producers, on the other, need take little or no notice of speculators. By this means only can the consumer expect to benefit, and the producer to receive the full results of his labours.

Dr. MALONEY (Melbourne) [6.25].—I was a little staggered by the reference made by the honorable member for Echuca (Mr. Hill), when he said that not even "forty figures" would tempt a man from the town to settle in the country. The honorable member belongs to a party, the members of which are very careful in their statements, but I think he scarcely grasps the power of figures. I have translated his remark into numerical language, and I find that "forty figures" means one thousand quadrillions. Following the old notation, a billion is a million millions, and a trillion a billion billions, while a quadrillion is a trillion trillions. If the whole world were a mass of silver, I doubt if it could produce that amount of money. Anyhow, if the highest mountain in Australia were of solid gold, and it was minted into sovereigns, it would not produce the amount mentioned. I mention this as a joke, which is a welcome thing in this lugubrious House.

In considering the price of wheat over a term of years, I am impressed with the fact that, for the Home market, from the year 1861 for many years it was comparatively high. It came to its lowest in 1902, when it was 24s. per quarter, and it rose again until, in 1916, it was 46s. 3d. per quarter. In the consecutive years from 1908 up to 1917-18, it was 4s. 1d., 4s. 2d., 4s. 2d. 3s. 6d., 3s. 11d., 3s. 9d., 4s. 1d., 5s. 7d., 4s. 10d., and 5s. 3d. per bushel. I started farming many years ago.

Mr. RICHARD FOSTER.—How did you get on?

Dr. MALONEY.—All that I got out of it was my broad chest. The wise Government of Victoria, forty-eight years ago, planted me 10 miles south of Warragul, in the heaviest timber country in Victoria, if not in the world. What chance had a little bank clerk to make good under such conditions? Twenty-five trees, on the place where a hut was erected, were all 6 feet and 8 feet diameter, so that no wonder I got tired of work.

My son has an interest in 1,000 acres of land in Western Australia, and last year he and his late partner had a very good show. I recognise that a grant of 5s. in cash would be very acceptable; but we are now told that it is not to be cash. This is only another instance of how the Prime Minister likes to get into a difficult position, merely in order to show how dashed clever he is in getting out of it; indeed, in all my political experience, I have known no one with that faculty so well developed. There was more in what the honorable member for Werriwa (Mr. Lazzarini) said than, perhaps, honorable members are willing to admit.

Sitting suspended from 6.20 to 8 p.m.

Dr. MALONEY.—Some honorable members laughed when the honorable member for Werriwa (Mr. Lazzarini) suggested utilizing the Commonwealth Bank and the issue of notes for the purpose of meeting the payments for wheat; but it is a very old form of avoiding interest, and is generally known as the Guernsey Island Market Experiment. The notes issued in Guernsey Island always bore on the back of them a portrait of the particular work for which they were issued, and perhaps the Commonwealth Bank—which, I hope, will soon be controlled by a Board of directors, as suggested by the late Lord Forrest—could issue notes bearing on the back of them the representation of a sheaf of wheat. The war has taught the world of finance that we must adopt a very different method of financing. Before the conflict an economist said that all the world's money in gold, silver, copper, nickel and platinum put together would not pay for one single month's transactions on the New York Stock Exchange, and, during its progress,

economists have been faced with the problem that the gold deposits in banks increased instead of decreasing. In Australia the value of the unearned increment, which had amounted to £400,000,000 by the end of 30th June, 1915, had doubled that amount by the end of June, 1920.

I have already indicated to honorable members that my son is interested in a wheat farm in Western Australia. Last year's prices proved of great benefit to him and his partner, and put them on a good footing. The ex-honorable member for Werriwa (Mr. Lynch), who is a farmer on a large scale, told me about three years ago that the payment of 4s. per bushel for wheat delivered at the railway siding would give the wheat-grower a fighting chance, and the payment of 4s. 6d. would give him a better chance, but later on he said that with wheat at 5s. every farmer ought to "make good." I care little what should be done, but it is firmly fixed in my mind that the producer of wheat should get a price, which will enable him to secure a fair return, and give him the opportunity to "make good." I do not know whether we in Australia will develop a system of co-operation among wheat-growers on the lines of the splendid scheme in operation in Denmark, or whether the method of pooling produce will be continued, but it is certain that stability of price will insure an earnest desire on the part of the farmer to continue to produce more and more, because without it he will always be in the position of wondering, season after season, what the market will be. When speaking to one of the largest farmers I have the pleasure of knowing in South Australia, I asked him what would have become of the farmers if the Wheat Pool had not been established. He said that the private buyers might have bought sufficient wheat to meet local requirements, and to fill whatever shipping they were in a position to charter, but that with interrupted shipping they might not have bought at all for export, and, consequently, wheat might not have realized even 1s. per bushel.

If we fix the price of wheat we can then allow a fair charge for gristing it, and compel the miller to sell his flour at a fixed price, gaoling him if he refuses, as millers have already done in Victoria, to supply it when that price has been tendered for it. Here let me read the in-

Dr. Maloney.

formation given by a Melbourne suburban baker, as quoted in *The Trust Movement in Australia*, a book compiled by Mr. H. L. Wilkinson, one of the most brilliant scholars who has graduated from the Melbourne University—

Mr. Page says that a strong ring or combine is responsible for the present high price of bread. The ruling price of bread in Elsternwick is 7d. per 4-lb. loaf. Mr. Page charges 6d., and states that an attempt is being made by the joint action of the Master Bakers and Millers Associations to coerce him into raising his rates, into line with other bakers in the district.

In other words, Mr. Page could not obtain flour because the contemptible Millers' Trust would not supply him with it, and he had to go even as far as Bendigo to secure supplies. We must break up these combines.

If flour is supplied to the baker at a fixed price, we must also fix the selling price of the four-pound loaf of bread over the counter. I do not care what a baker may charge for delivery—that is too difficult a question for us to decide, and can best be settled as between the baker and the customer.

Mr. SPEAKER (Hon. Sir Elliot Johnson).—The honorable member is not confining his remarks to the motion.

Dr. MALONEY.—I am endeavouring to show that, if the price of wheat is fixed, there is a further duty imposed upon the Government to protect those who enable the farmer to make a success by purchasing his product. The majority of those I represent buy the product of the farmer, and they are entitled to protection. Mr. Wilkinson, in his excellent compilation, referring to bread says—

What the advance of ½d. per 4-lb. loaf of bread actually means to the master bakers is shown in the following figures:—

It is estimated that an ordinary bakery uses about 5 tons of flour each week, a good many using 10 tons, and some of the largest manufacturers as much as 20 tons. From a sack of 150 lbs. about forty-nine large loaves of bread are made, and from a 200-lb. sack about sixty-five loaves. This is a moderate figure, which can be taken as an average, though frequently sixty-six loaves are obtained. A simple form of multiplication shows that the additional receipts from the advance of ½d. per 4-lb. loaf can be detailed as follows:—

5 tons—3,250 loaves at ½d. equals £6 15s. 5d. per week.

10 tons—6,500 loaves at ½d. equals £13 10s. 10d. per week.

20 tons—13,000 loaves at $\frac{1}{2}$ d. equals £27 1s. 8d. per week.

These figures make no allowance of any description for the recently increased working costs, simply indicating the additional revenue.

It is a number of years since bread was retail at 7d. per 4-lb. loaf in the northern inner suburbs, and at that time flour was from £12 to £13 per ton. A comparison of the Victorian Mill-owners' Association quotation for flour, and the ruling price of bread at the end of July for the seven years past, is given below:—

End of July	Flour. (Per 2,000 lb.)	Bread. (Per 4-lb. loaf.)
1907	£9 5 0	5½d. to 6d.
1908	£9 10 0	5d. to 6d.
1909	£11 10 0	5½d. to 6½d.
1910	£9 10 0	5½d. to 6½d.
1911	£8 0 0	5½d. to 6d.
1912	£9 5 0	6½d. to 7d.
1913	£8 15 0	7d.

What strikes the average man in the street is the fact that our Governments, State and Federal, seemingly prefer that millions of bushels of wheat should be wasted by the weather, mice, mildew, or rot rather than that the people should get it at a fair price. I have with me a photograph showing the result of four nights' catch of mice in the railway yard at Lascelles. Eleven dray loads of mice were removed from the yard, and it is estimated that 8 tons of mice or about 500,000 mice were in the heap photographed.

My support of this motion is not altogether on account of the price of wheat. I am a pledged opponent of the Ministry, and will always vote to turn them out of office so long as the present Prime Minister (Mr. Hughes) is in power, and even if the honorable member for Balaclava (Mr. Watt), who challenged the Prime Minister last night, were leading the Ministry my vote would still be the same, because I have no confidence in the honorable member. He was a member of the Cabinet until he kicked himself out.

Mr. SPEAKER.—Order!

Dr. MALONEY.—May I not attack the *personnel* of the Ministry?

Mr. SPEAKER.—Not on this motion, which is strictly confined to the question of paying 5s. per bushel for wheat at railway sidings.

Dr. MALONEY.—Then I shall be obliged to take some future opportunity of showing that the honorable member for Balaclava returned to Victoria in 1913 a discredited man, and that on his

knapsack was this wonderful thing, as it were throwing its shadow before it—

Mr. SPEAKER.—What the honorable member is saying is very interesting, but not germane to the motion.

Dr. MALONEY.—I was going to add that, were the Government turned out on the vote of the right honorable member for Balaclava, Ministers would have the satisfaction of knowing how *he* got "the boot" out of the Victorian Legislative Assembly. However, I shall take another opportunity to deal with the matter.

Mr. JAMES PAGE.—What about the payment of 5s. a bushel to the farmers?

Dr. MALONEY.—I think that the farmers should get the money, and the suggestion of the honorable member for Werriwa is worthy of consideration. Not one of the countries engaged in the recent war is at present solvent. Even the United States of America, with its huge amassed wealth, could not meet its liabilities in gold, but we have here a Bank more than equal to any in the world, though I do not think that it should be governed by a dictator. It could be used for the payment of this guarantee by giving a credit to each farmer for the wheat that he delivered, which would be properly tested and graded. The farmer would use that credit to pay his storekeeper and others to whom he owed money, and eventually the circle would be completed by its return to the Commonwealth Bank. There would be a circle of credit not unlike that of an electric current, which must eventually get back to earth. I look forward to the time when our Commonwealth Bank will do all this sort of business. The Bank of England, the Bank of France, the Bank of Germany, the old Bank of Russia, the National Banks of America, were not, and are not, as well guaranteed as the Commonwealth Bank of Australia. The gold reserves of the Bank of England are very large, but they are held, not only against the note issue, but also against the current accounts, the deposits without interest, the deposits of fifteen days, and the deposits at interest; and also against advances and underwriting on the part of the Bank; whereas the only call on the gold reserve of the Commonwealth Bank is in respect of the note issue, and behind the Bank is every hill and valley in Australia. Eventually the Bank will control the

finances of the Southern Hemisphere. I am sorry that at present it is playing into the hands of the Associated Banks. Why does it not increase the rate of interest on its Savings Bank deposits, and increase the amount which a depositor may have at his credit, as the Government Savings Bank of Victoria has done?

Mr. SPEAKER.—The honorable member is now giving a disquisition on banking.

Dr. MALONEY.—I wish to show that the Government could get the money needed to pay the farmers by increasing the interest on deposits in the Commonwealth Savings Bank to 5 per cent., and accepting any sum from a depositor. In Australia we could borrow millions of money in this way for considerably less than the most thrifty nation in the world, that is, France, can borrow, she having recently had to pay 8 per cent. for money borrowed in America.

Mr. RODGERS.—In paying the dividend that we shall pay to the farmers, we shall make very free use of the resources of the Commonwealth Bank.

Dr. MALONEY.—The Government will have my support in doing that. It could borrow in the way I suggest at 5 per cent. When we float loans in England, we do not limit to £500 or £1,000 the amount an investor may take up, and why should we limit the amount which a man may deposit with interest in the Commonwealth Bank? The statement of the Prime Minister was considered by many to be a distinct promise to the farmers, although I know that if it is possible to get out of an awkward corner, no politician is cleverer than the Leader of the Government in doing so. Within the last few weeks I have spoken to twenty or thirty farmers, all but one of whom believed that the Prime Minister had promised them 5s. a bushel for their wheat. The solitary exception said that he would not believe Mr. Hughes, even if standing on a pile of Bibles, but if any other Minister had made the statement he would have accepted it. That nation is most successful that has a free currency, protected, of course, against "wild-cat" schemes. No one could say that it is a "wild-cat" scheme to pay money for good wheat to those who have grown it.

Mr. STEWART.—Particularly, an advance of about half its current value.

Dr. MALONEY.—Before the dinner adjournment I showed how the price of

wheat had varied, and as soon as the world resumes its old ways—and God knows, the sooner the better for humanity—wheat will not remain at its present high price. In America, where there is a population of 100,000,000, it may be standardized at about two dollars a bushel, but I doubt it. I say that without knowing much about wheat, though I admire a good crop when I see it. I shall be astonished, however, if five years hence wheat is realizing 6s. a bushel. We are told in the Old Book that Joseph garnered the surplus grain during seven fat years against a period of famine, and in this intelligent twentieth century we should store the wheat of an over-abundant harvest in silos, just as we put by perishable produce in cold storage for future use.

While not disputing your ruling, Mr. Speaker, I must remark that this is the first censure motion to which I have spoken on which members were severely restricted as to what they might say.

Mr. SPEAKER.—It is the wording of the motion that puts a restriction on those who speak.

Dr. MALONEY.—I do not question that, but I would not be an Australian if I did not protest.

Mr. SPEAKER.—It is the framer of the motion who imposed the limitation.

Dr. MALONEY.—That is very true. I will make way for those members who know more about wheat-growing than I do. Even if the Government score a win over this matter, I ask them to give consideration to the position. If the Bank pays this guarantee, it will add to the currency, make money more fluid, and otherwise do good to the community, but the question of interest will have to be faced.

Mr. RODGERS.—One of the terms of the Pool will be that any man who cares to leave wheat in it will get interest on its value.

Dr. MALONEY.—I am very glad to have that assurance from the Minister. I understand him to say that if any farmer is not in need of immediate help, and leaves his wheat in the Pool, he will receive interest upon the price.

Mr. RODGERS.—If he does not draw any dividend.

Mr. STEWART.—That practice was followed in previous Pools.

Dr. MALONEY.—If it was, it is a good idea, and I am glad it is to be followed on this occasion.

Mr. HAY (New England) [8.33].—It seems to me that the wheat farmer of Australia, if not already damned, is about to be. The honorable member for Hume (Mr. Parker Moloney) has anticipated matters by stating that the Government will not pay this guarantee of 5s. per bushel.

Mr. PARKER MOLONEY.—The Prime Minister said they will not pay it at railway sidings.

Mr. HAY.—If this motion of censure is carried, the farmer of Australia will be irrevocably and permanently, shall I say, damned, or ruined. There will then be no Government to negotiate his finances for him.

Mr. GABB.—Your party could form a Government.

Mr. HAY.—There is, however, a dry sense of humour about the motion. If carried, it will mean that members will go to the country. In such an event, what will be the position of the farmer without any Government to represent him in regard to his needs? I represent, perhaps, one of the most important wheat-growing districts in New South Wales.

Mr. LAVELLE.—Question!

Mr. HAY.—If it is not the most important, why did the Leader of the Opposition (Mr. Tudor) read certain resolutions that were carried in Manilla, in my division, with reference to this wheat guarantee? And I might also ask why did he not read the whole of those resolutions? He read them up to a certain point only.

Mr. TUDOR.—I read as much of the resolutions as was relevant to this motion.

Mr. HAY.—The Leader of the Opposition means, as far as he wished the resolutions to be relevant to the motion. He omitted to read this—

It is suggested that if the necessary financial arrangements to pay 7s. 6d. per bushel in cash cannot be made—

This 7s. 6d. included the State guarantee of 2s. 6d.

that negotiable certificates for such portion as cannot be provided for in cash should be issued. Payment for such certificates (to be made on or before 30th June next) should be guaranteed by the Federal Government.

It is also suggested that the arrangement with millers which has been in operation in former Pools, by which wheat was paid for as used, should not be continued, and that they should be required to pay a substantial deposit on their wheat as received.

Mr. CONSIDINE.—Is the honorable member objecting to that resolution?

Mr. HAY.—No, I only want to make the position quite clear. In this important wheat-growing centre, which has suffered as much as any other wheat-growing district in Australia from drought and adverse weather conditions over a period of ten years, the producers and all other sensible men in the community understand the financial difficulties of the Commonwealth, and are prepared to accept negotiable bonds in the event of cash not being available.

Mr. CONSIDINE.—As the next best thing.

Mr. HAY.—No doubt. I believe that the wheat-growers in the adjoining division, represented by the honorable member for Gwydir (Mr. Cunningham), are prepared to meet the situation in the same way.

Mr. CUNNINGHAM.—They have not communicated in such terms to me. They want cash.

Mr. HAY.—The wheat-growers in my division—

Mr. CONSIDINE.—Are long suffering.

Mr. HAY.—They are not so long suffering as are the electors in the division represented by the honorable member for Barrier. The wheat-growers of my division, I repeat, have suffered severely from droughts during the past ten years, and but for this guarantee a great many who are now engaged in production would have abandoned their properties. I admit, at once, that this guarantee stimulated and encouraged many to continue in the business of production, but why there should be any misapprehension as to the meaning of the Prime Minister's statement at Bendigo I am unable to understand.

Mr. BRENNAN.—So am I. I cannot see any room for two versions in regard to that statement.

Mr. HAY.—On 23rd July I asked the Prime Minister (Mr. Hughes) the following question, upon notice—

Whether it is the intention of the Government to pay the 5s. guaranteed to wheat-growers in the States of the Commonwealth

on delivery at country railway stations, which was paid in respect of last year's wheat delivered.

Mr. BRENNAN.—That is very significant. Why did you ask him that question?

Mr. HAY.—Wait a minute, and I will tell the honorable member. The Prime Minister, in his reply, said—

The method of payment of the amount guaranteed in respect of next season has not yet been determined.

It is quite clear, therefore, to honorable members—

Mr. BRENNAN.—At that time.

Mr. RICHARD FOSTER. — When was that?

Mr. HAY.—In July last. It is quite clear that members of the Country party are just as solicitous, and, perhaps, more so, for the welfare of those engaged in primary production as are honorable members sitting opposite. This question of the wheat guarantee has caused a considerable amount of anxiety, and I think the statement made this afternoon by the Prime Minister is one which every fair-minded and reasonable man should accept.

Mr. BRENNAN.—That is good!

Mr. HAY.—I am sure the results will be good. I have no doubt that the Prime Minister, having unloaded himself yesterday of a considerable burden, is now free to give more attention to this important question. He told us to-day that he is summoning those who are responsible for the control of our wheat, and those who are going to finance the transaction, to a conference to be held next week. In view of this statement, can it be expected that any man would be prepared to say now what he will say on Wednesday next when the result of the conference is known?

The Prime Minister has assured the House and the country that next week he will make a statement on this subject, and I am convinced he will satisfy honorable members and those engaged in the production of wheat. At any rate, I can speak for the farmers in my own division. Failing cash, they are prepared to accept negotiable bonds, and the Prime Minister proposes to submit a proposition which, I hope, not for the sake of honorable members opposite so much as for the wheat-growers, will prove satisfactory. I cannot understand why there

should be any misconception as to the Prime Minister's intention in regard to the guarantee. The resolutions passed at Manila, to which the Leader of the Opposition referred this afternoon, were adopted on 20th September, and, on 29th September, I asked the Prime Minister the following question:—

Having in view the urgent needs of the wheat-growers of the Commonwealth and the necessity to at once make provision for the harvesting of their crops, I desire to ask the Prime Minister whether, in order to relieve the present situation, the Government are in a position to make a statement as to the payment of the guarantee of 5s. per bushel?

The Prime Minister, in the course of his reply—and I ask the attention of honorable members to this matter, seeing that it has occupied their attention a very great deal during the last few weeks—said that the payment of the guarantee depended very largely upon certain sales being effected, and so the House knows perfectly well that the guarantees to the wheat-growers was on a price at the station. If they were paid only 4s. at the station, the Government would become liable for 1s.

The wheat-grower during the period of the war suffered, I suppose, more than any other primary producer. He suffered loss and inadequate prices. But, in spite of all these things, he carried on. I am reminded of the lines so often quoted by the late Sir John Macdonald, of Canada, who was a great advocate of the man engaged in primary production—

'Tis hard to toil, when toil is almost vain
In barren ways.

'Tis hard to sow and not to garner grain
In harvest days.

'Tis hard to plant in spring and not to reap
The autumn yield.

'Tis hard to till, and, having tilled, to weep
O'er fruitless field.

I am afraid that has been the lot of a great many of our wheat-growers. Much is required in these modern days to assist to a greater extent those who are engaged in our primary undertakings, and, as I said on the Institute of Science and Industry Bill, education is the root of all our undertakings, and if we fail in our duty to educate our children, so surely will those of them who engage in these undertakings fail when it comes to their turn to produce. We are now dealing with the price of a wheat harvest that is estimated to be, in respect of both quantity and value, the greatest ever

reaped in the country. I am quite convinced that the Government are prepared to do all that is humanly possible in order that the producers may have the full benefit of their toil. They are in a better position to do it than are honorable members sitting opposite, and I believe that when, on Wednesday next, the Prime Minister makes his statement, he will be able to tell the House that he has made financial arrangements that will be satisfactory, not only to the wheat-growers, but to the general community.

Mr. LAVELLE (Calare) [8.50].—I listened attentively this afternoon to the speech delivered by the Prime Minister (Mr. Hughes), and I was struck, not so much by the information which his remarks conveyed, as by the skilful manner in which he evaded the main question. To use his own words, he indulged in a free use of the paint brush. I was amazed to hear him say that the motion is simply a waste of time. It is astonishing that the Prime Minister, and those who support him, should have the audacity to say to the people that it is a waste of time to discuss a question of vital importance to the farmers. Two days ago, when the Leader of the Opposition (Mr. Tudor) gave notice of his intention to move this motion, a number of honorable members opposite laughed, and the honorable member for Wakefield (Mr. Richard Foster) sneeringly interjected, "The poor farmer."

Mr. RICHARD FOSTER.—I did.

Mr. LAVELLE.—It is a pity that the farmers could not have heard him. The Prime Minister stated to-day that this discussion would have been initiated yesterday, but for the fact that destiny or Providence had prevented it. It is news to me that the National party represents either destiny or Providence. Yesterday that party by weight of numbers carried a motion for the suspension of the Standing Orders, in order, firstly, to prevent the discussion of this all-important question, and secondly, to enable the Prime Minister and the honorable member for Balaclava (Mr. Watt) to ventilate their personal grievances. I am reminded that the great daily newspapers of Melbourne, when discussing the censure motion, said that when the Leader of the Opposition gave notice of his intention to move it, "the House went on with the Estimates, as if the adverse motion were contempt-

ible; and indeed it was." One of the newspapers stated also that Mr. Watt's statement to the House more vitally concerned Australia than a thousand of such motions. It is remarkable that the daily press should regard a motion, which aims at seeing that justice is done to the farmer, as contemptible, and that the statement of the honorable member for Balaclava was of more vital concern to the people than the honouring of the Prime Minister's promise. Those statements I do not think any one will indorse for a moment. The ex-Treasurer's statement was no doubt very interesting. I listened to it, and to the Prime Minister's reply, and I am satisfied that the ex-Treasurer could not have acted other than as he did. The Prime Minister came out of yesterday's discussion a totally discredited man.

Mr. SPEAKER (Hon. Sir Elliot Johnson).—Order! The honorable member is now discussing a matter which is not before the Chair.

Mr. LAVELLE.—I intend to show a connexion between the two subjects. The ex-Treasurer went to England on an important mission, and while abroad he resigned.

Mr. SPEAKER.—The honorable member may not go into that matter.

Mr. LAVELLE.—I have only a few words to add to connect the subject with the motion before the Chair. The mission of the honorable member for Balaclava had ended, and whether he was right or wrong in his action, seeing that whatever evil was done cannot be remedied, was not of as much importance as the question of financing the farmers' wheat.

I objected to the suspension of the Standing Orders yesterday, not for the purpose of assisting the Prime Minister or gagging the honorable member for Balaclava, but in order to enable the House to proceed with this all-important matter of the wheat guarantee. At the conclusion of the remarks of the ex-Treasurer, the Prime Minister said that no man with a good case would have made such a statement. Those who listened to the Prime Minister's speech this afternoon know that if he had any case at all he would not have spoken as he did. He commenced by saying that this was about the sixth censure motion that had been launched. When the Leader of the Opposition (Mr. Tudor)

corrected him, the Prime Minister tried to make out that the correction was an apology, and he proceeded to say that the motion was launched simply because the Victorian elections were taking place to-day. The same statement was made by the Ministerial supporters two days ago. A moment's reflection will show that such an assertion would not be credited by even the least intelligent man or woman in the community. Being desirous of having this matter ventilated, and that the Prime Minister's promise should be honoured, so that the farmers might meet their financial obligations, the Labour party, four weeks ago, moved the adjournment of the House on the subject of the wheat guarantee. We desired to force the Government, if possible, without resorting to the extreme course of launching a motion of censure, to make their position clear. At that time the date for the holding of the Victorian elections had not been fixed; and it must be obvious that if the purpose of this censure motion was only to assist our colleagues who are engaged in the electoral fight in Victoria, we would not have deferred the motion until two days before the election. Common sense suggests that we would have moved, at least, two or three weeks ago, so that our remarks might have time to travel all over the State, and everybody have an opportunity of reading and discussing them. What assistance could this motion render to Victorian Labour candidates two days before the poll? The discussion might be read in the metropolitan area, but no one will contend that even the fact that the motion had been launched would be known right throughout the State, let alone that the speeches would be read. This argument proves conclusively that the motion was not launched as an electioneering move.

The Prime Minister, whilst skilfully evading the question before the Chair, quoted a statement by Chris. Bennett, in February, 1916, and said that the scheme which that gentleman advocated was not in the interests of the farmers. In 1916, the Prime Minister was a member of the Labour party, so, if by any stretch of imagination the party of to-day can be held responsible for what Mr. Bennett said four years ago, the Prime Minister must be more

Mr. Lavelle.

responsible, seeing that he was then a prominent member of the party. That was before he was expelled for his traitorous conduct. He stated also that the Federal Executive of the Australian Labour party had passed a resolution to the effect that the price of wheat for home consumption should be based upon the cost of production. He endeavoured to make capital out of that by misrepresenting that resolution and describing how the cost of production would be arrived at. He said that the Labour party would not take into consideration the lean years, during which the farmers were struggling in the face of drought and obtained no profit, when they spent their labour and reaped no return, but on the actual production in one year. In order to prove that that statement is misleading, I quote the policy of the Labour party in regard to the price of wheat:—

That the farmer be paid for wheat consumed in Australia at a fair price, based upon the cost of production, to be ascertained by the application of the formula set forth in the succeeding paragraph:

Plus a reasonable profit—

The price of wheat for home consumption in Australia shall be ascertained by an investigation in each State, and thereafter upon an average of the result of those investigations, based upon the following:—(a) The average cost of working a living-area sized farm in each State over a period of five years—

Will honorable members note that?—

and that such cost be kept up from year to year.

The payment of a union wage to all persons, including the farmer himself, and any member of his family employed in the production of the wheat crop.

The cost of necessary farming implements at ruling Australian rates, together with allowances for depreciation and renewal.

That proves conclusively that the Prime Minister's statement this afternoon was not correct, when he tried to make capital out of the fact that our scheme of the cost of production would be injurious to the farmer, and would be based upon good years only. I simply mention that in order to prove, if any proof is necessary, that the Prime Minister was deliberately evading the issue.

To come right home to the position as it confronts the farmers of Australia to-day, we must ask ourselves whether or not

they are justified in demanding that the 5s. per bushel be paid. We have heard a good deal about what that promise really was, the circumstances in which it was given, what was actually said, and the interpretation that has been placed upon it. I went to a good deal of trouble to keep the Prime Minister's statement, because I felt sure that he would not honour it, and that it was an electioneering dodge simply hung before the farmers as a bait to catch their votes at the election. This is his statement—

In order to help the wheat-growers, the Government, in addition to its guarantee for the forthcoming crop, also guarantees 5s. at railway sidings for the 1920-21 crop. If the farmers so desire it, the Government will discuss with their organizations the question of guarantees and assistance beyond that year, for in wheat and all forms of primary production the Government's policy is to stimulate and stabilize these essential industries.

It has been said that that cannot be construed into a promise to pay 5s. cash on delivery. It is one of the usual cunning statements of the Prime Minister, which gives him a possibility to-day, by a plausible explanation and evasion, of convincing a small section, but a small section only, that he did not give a guarantee to pay cash. He said in his explanation this afternoon, and it has also been stated by honorable members who support him, that the reason why 5s. was paid in full last year was that the harvest was small. It does not matter whether the harvest was small or great, so far as this promise is concerned. The principal thing to be taken into consideration is that the Government gave a promise; the first year they honoured it, and the second year they intend to dishonour it. The result of that promise by the Prime Minister was that very large areas were put under wheat. The farmers worked practically day and night in order to get a large acreage in. They implicitly believed they would get the money this year, seeing that it had been promised, and that they had obtained it last year. There was no quibble about it then, and they made sure they would reap the benefit of the promise when they delivered their wheat at the siding.

The farmers have suffered more, greatly through the drought, during the last two years, than they have previously suffered. They were all financially embarrassed,

and even on the verge of bankruptcy, and the business people of the various towns, the firms with which they had been dealing, and others, were financing them in anticipation of this promise being redeemed. They had no crop, or a very small crop, last year. They renewed their bills and mortgages, which will fall due just about the time that this year's harvest will be garnered and brought to the railway station. Unless this promise is honoured in its entirety, and unless they receive 5s. per bushel cash, as well as the additional advance which has been offered and will be paid by the various State Governments, they will find themselves in a very embarrassing position. I have received communications from every Farmers and Settlers Association in my electorate, except one, asking me to do whatever is possible to induce the Government to meet its obligations in this matter. I will read two of them only. The first, which I received to-day, is as follows:—

Canowindra,

14th October, 1920.

Mr. T. Lavelle, M.H.R.,

Federal Parliament House,
Melbourne.

Dear Sir,

At a meeting held on Saturday last, it was resolved to ask the Federal Parliament, through you and the Leader of the Country party:—

“That the Federal Parliament be requested to make a payment of 5s. per bushel on delivery at railway station or mill, of this year's wheat.”

It is not too much to ask, because, as you know, such a number of farmers are very heavily in debt, due to the last two bad years, and unless they get 5s., together with the 2s. 6d. from the New South Wales Government, it will not be possible for them to pay the accounts owing, to say nothing of having anything for themselves. They, of course, have to pay for the seed, fodder, and other assistance they got, before anything else, and how on earth can they expect to satisfy the creditor who has carried them on for such a time! The storekeepers and others will not be able to stand to them any longer unless they receive substantial payments from this harvest with reasonable promptness.

Yours truly,

CANOWINDRA BRANCH, FARMERS' AND
SETTLERS' ASSOCIATION,

per A. D. MANNING.

Another reads—

Farmers' and Settlers' Association,
Yarrabandai Branch,
18th October, 1920.

Mr. Thos. Lavelle, M.H.R.,
Federal Parliament House,
Melbourne.

Dear Sir,

At a meeting of the above, held on the 16th instant, a resolution was carried as follows:—
"That the Prime Minister be urged to make the Federal wheat guarantee of 5s. per bushel a first payment on delivery of the wheat at the railway stations."

It is no exaggeration to say that wheat-growers were never in a worse position financially than they are at the present.

Yours faithfully,

J. S. BUTLER,
Hon. Sec.

I notice that none of the speakers on the Government side, or of their supporters in the Corner, was able to produce one communication to support their contention that the growers did not ask that the 5s. should be paid when their wheat was delivered. It appears to me that all the Corner party, except one, are going to fall in behind the Government again. One genuine farmers' man, who comes here in order to do all he can to assist the farmer, will vote with us on this motion. All the others, apparently, intend to support the Government, but not one of them, nor the Prime Minister himself, nor his chief apologist, when he spoke this evening, was able to quote one line from any correspondence to show that the farmers did not expect to receive the payment in cash on delivery at the siding.

Mr. BELL.—What about the honorable member for Echuca (Mr. Hill)?

Mr. LAVELLE.—He was unable to produce one line. Unfortunately, he allowed himself to be "pooled" by the Prime Minister. He is a member of the Australian Wheat Board, and the Prime Minister, with his usual astuteness and cunning, got him at a meeting of the Board, and "pooled" him. Distasteful as it must be to the honorable member for Echuca, he has to come into the House and attempt to justify the Prime Minister's action. He has been effectively "pooled" by the Prime Minister, and there is no getting out for him. I sympathize with him most heartily, as I sympathize with the farmers who have been deluded. However, it is the honorable member's fault, and not mine,

that he allowed the Prime Minister to "pool" him.

Mr. TUDOR.—Did you say "pooled" or "fooled"?

Mr. LAVELLE.—He has been both "pooled" and fooled.

I have a statement from Mr. T. I. Campbell, secretary of the Farmers and Settlers Association of New South Wales, who cannot be said, by any stretch of the imagination, to be a friend of ours or a supporter of our party, yet his views on this question are identical with ours. He states—

I have no hesitation in saying that the Federal Government stands committed by the Prime Minister in his pre-election speech delivered at Bendigo on 20th October, 1919, and in which he outlined the policy of the Federal Government in connexion with the wheat industry to a payment of 5s. at railway sidings for the 1919-20 and 1920-21 harvests.

He states there distinctly that he has no hesitation in saying that the whole of the Nationalist party are bound to that promise.

Mr. RICHARD FOSTER.—According to your reading.

Mr. LAVELLE.—I shall deal with the honorable member for Wakefield presently. I have something most interesting to say about him. Mr. Campbell goes on—

The undertaking was fully honoured in connexion with last year's harvest. There can be no room for doubt as to the meaning attaching to the reference to the payment for the ensuing season's wheat, as both harvests were covered by the one promise. I cannot understand the quibbling that is now going on as to what the guarantee actually means, as the first half of the promise has been faithfully carried out, and there can be no possible justification for any repudiation of the latter half of the same promise.

There never can be any justification for repudiation—

The method adopted for the last harvest was payment as soon as the certificates could be prepared and issued, usually within about a fortnight of the delivery of the wheat to the agent. Unfortunately, New South Wales farmers had exceedingly little to collect on that guarantee, owing to the lamentable failure of the crop by drought. This is all the more reason that, with a prospect of a satisfactory harvest this season, the extent of which is largely due to a reliance upon the guarantee, the Federal obligations should be honoured in the same complete way this season.

That is clear and distinct. He further says—

The executive of the Primary Producers' Union has all along taken the Prime Minister's

guarantee to mean a payment of 5s. as a first advance on delivery at railway sidings. Corroboration of this can be found in the resolution passed at the last quarterly meeting of the central executive: "That it be a recommendation to the State Government that every effort should be made to insure the sum of 7s. 6d. being paid on wheat delivered at country sidings as a first payment in one amount. We consider that the Federal Government should honour their promise, as many farmers were induced to sow extra areas on the distinct understanding that a first payment of 7s. 6d. would be paid."

That meant that the first payment by the Federal Government would be 5s. Those are the views of the Farmers and Settlers' Association and the Primary Producers Union. I am satisfied that even the most ardent opponent of Labour will not contend that the members of those bodies represent our political views. On general questions we are opposed, but on this question our ideas are identical. These organizations, representing a section of the farmers, placed upon the Prime Minister's promise the interpretation that every sensible man will place on it. It is of no use to try to evade it at this late hour, and it is of no use for members to say that the farmers do not expect the full payment. They do expect the full payment, and, what is more, at every meeting they have held throughout the length and breadth of New South Wales they have passed resolutions demanding that the money be paid in one amount. In one centre of my electorate, where I received less votes than my opponents, one farmer went so far as to say that he would wade up to his knees in human blood before he would deliver his wheat to the Pool at less than 5s. as a first advance from the Federal Government. That statement has been published in practically every daily newspaper in my State. It did not emanate from any Bolshevik, but was uttered by a thick-and-thin supporter of the National party. All over my electorate farmers are carrying resolutions to the effect that they will not deliver their wheat unless they receive their money. Honorable members opposite, who make their living in the cities, and have never known what it is to suffer privations such as the man on the land must "battle" against, may make a joke of the farmers' conditions. But if they knew what it was to really toil and suffer, as have the farmers through the bad

years, and were then to ask themselves whether they would be content with unfulfilled promises by their Leader, the Prime Minister, there would be no joking. The honorable member for Corangamite (Mr. Gibson) remarked that honorable members on this side were, by their efforts, desirous of giving consumers a cheap loaf. He ventured the opinion that this debate was only so much window-dressing, and that when we talked of seeing that justice was done by the farmers we were not sincere. I ask him and other honorable members what would be their view-point if they had to suffer privations through years of struggle, and were now to be faced by this unfulfilled pledge of the Prime Minister? Every honorable member opposite is by honour bound to see that the Prime Minister carries out the obligation implied in his policy speech. Every honorable member for whom, as a party, that speech was delivered is bound to see that the farmer receives cash payment to the full extent of the pledge.

I understand that I shall not be permitted to read an extract from a newspaper, but since my memory is not quite as good as it might be, I shall have to glance at the copy which I have before me for occasional assistance. On 15th January, 1917, the honorable member for Wakefield (Mr. Richard Foster) wrote as follows in the *South Australian Register*:—

Federal political conditions in Melbourne are beyond ordinary people's comprehension, and some phases suggest disquieting suspicions of miserable personal and party aims masquerading under the hypocritical cloak of the "Win-the-war" subterfuge.

MR. SPEAKER (Hon. Sir Elliot Johnson).—Order! The honorable member is not in order in employing words in a quotation, if referring to honorable members of this House, which he would not be in order in using in the course of a speech.

MR. LAVELLE. — I point out that these are not my words, sir, but those of the honorable member for Wakefield.

MR. SPEAKER.—I merely draw the honorable member's attention to the fact that his quotation contained unparliamentary expressions which he would not be allowed to use in the course of his own

speech. Therefore he cannot be permitted to quote such language from an article or letter, or speech delivered by somebody else.

Mr. LAVELLE. — I am sorry, Mr. Speaker, and shall undertake not to repeat that portion of the letter, which continues—

Melbourne press correspondents—or, more correctly, “kite-flyers”—inspired or otherwise, have been publishing “feelers” more ingenious than ingenious, and Mr. Cook has been grossly misrepresented by some of them. The new movement launched in a room in the Melbourne Town Hall was the most amazing of all, and the position of Mr. Hughes is not the least mysterious. Is the movement national or personal? If I know the Liberal party, we are heartily sick of Mr. Hughes’ manoeuvres, and equally sick of his bungling.

Mr. SPEAKER.—Order! Will the honorable member say what that has to do with the matter of the payment of 5s. per bushel at railway sidings?

Mr. LAVELLE.—I am proving now that the honorable member for Wakefield realized then, at any rate, that the Prime Minister would not honour his promises. It is my desire to show that his estimate of the Prime Minister in that particular regard was correct.

Mr. SPEAKER. — I am afraid that the honorable member’s intention cannot be made to harmonize with the terms of the motion.

Mr. LAVELLE.—I assure you, Mr. Speaker, that I shall go to a good deal of trouble to connect this letter of the honorable member for Wakefield with the terms of the motion.

Mr. SPEAKER.—It seems to me that it will, indeed, require a good deal of trouble on the part of the honorable member to do so; and, so far, I have failed to see any connexion whatever.

Mr. LAVELLE.—When I have concluded the quotation I feel confident that I shall be able to demonstrate to you, sir, the relevance of its contents. It continues—

and I decline to silently allow the Liberal party to be traduced in recent fashion. From the very beginning of the war, the Liberal party has been absolutely the only National party.

Mr. SPEAKER.—What has that to do with the motion?

Mr. LAVELLE.—I have not concluded my quotation, so that I am not in a position to show you, sir.

Mr. SPEAKER.—So far as I can gather, the quotation has no bearing whatever upon the motion before the Chair.

Mr. LAVELLE.—I take it, then, that I shall not be in order in proceeding further. I shall not persist, but if my quotation is not relevant it is most interesting.

Mr. SPEAKER.—I do not dispute that; but this is not a general no-confidence motion, but is limited to one specific matter only.

Mr. LAVELLE.—I shall not proceed with the illuminating article by the honorable member for Wakefield, but on some future occasion—

Mr. TUDOR.—Finish it on the adjournment.

Mr. SPEAKER.—The honorable member may possibly be able to “get it in” somewhere on the Estimates.

Mr. TUDOR.—That is good advice, and the honorable member should be grateful to Mr. Speaker.

Mr. LAVELLE.—Thank you, sir; but this is the estimate which the honorable member for Wakefield then placed upon the Prime Minister—the right honorable gentleman whom he now says he is prepared to trust implicitly. He certainly did not trust him implicitly two or three years ago. Now that the honorable member is sitting behind the Government, in whose behalf the Prime Minister made his promise, he seeks to offer excuses, and is prepared to accept the assurance of the Prime Minister that he will make a statement next week. In that attitude he is like the honorable member for New England (Mr. Hay), who, although he pointed out that since July last he had persistently asked whether the farmers were going to be paid in cash, expressed the opinion that the quarrel between the Prime Minister and the honorable member for Balaclava (Mr. Watt) was so important that it would have been impossible for the Prime Minister to give consideration to any other matter until after yesterday’s battle. The honorable member added, in effect, that now that the Prime Minister had got over his second round with the honorable member for Balaclava, he would be able to devote some time and attention to unravelling the financial tangle in which, he admitted, the Government had got the finances of the country.

It has been said by various honorable members to-day that the money is not available to finance this payment. If that is so, it should have been in the mind of the Prime Minister when he made his promise. It proves conclusively that the promise amounted to nothing but an electioneering dodge. It was made with the one object, and it served its purpose. Now that the time has arrived for the promise to be fulfilled the Government confess their helplessness, and the Prime Minister says he is convening a meeting of bankers. He is going to cast himself and the farmers, and the people of Australia as a whole, on the mercy of the bankers when they meet next week. It is not the duty of honorable members on this side to point out to the Government how the pledge of the Prime Minister may be redeemed. The obligation remains with the Government. The farmers expect the pledge to be fulfilled. They expect this thing to be done. If it is not done, the farmers will "be done." I heard the honorable member for Echuca (Mr. Hill) say the other day that the farmers would be satisfied with a first payment of 4s. per bushel. But if it be such an overwhelming impossibility for the Government to provide the money with which to pay 5s. per bushel, how are they going to provide the money with which to pay 4s. per bushel?

It is not my intention to delay the House at greater length. If the Country party wish to live up to their name, if they desire to do anything to prove their *bona fides*, let them support the Labour party and the honorable member for Wimmera (Mr. Stewart) in his fight for the farmers, and force the Government either to resign or to honour their obligations. To me it will indeed be remarkable if, in such circumstances, we cannot form a new Administration which will be better able to guide the destinies of Australia than are the present Government.

Mr. BRUCE (Flinders) [9.32].—I do not claim to be a wheat-grower except in a very small way. But the question that we are now considering does not turn entirely upon wheat-growing, but rather upon the interpretation which should be placed upon an undertaking which was given by the Prime Minister (Mr. Hughes) in his policy speech at Bendigo. To a great extent the ques-

tion is one of the construction which should be placed upon the word "guarantee," and also upon the meaning of the words "at railway sidings." To my mind the statement that a guarantee means an original payment, as soon as any payment becomes due, by the guarantor, is certainly a novel one. Anybody who has had experience of guarantees knows that a guarantee is an undertaking to pay in case of default by somebody else. In regard to the words "at railway sidings," anybody can see at a glance that they are used in contradistinction to the term *f.o.b.* The Government have guaranteed our wheat-growers 5s. per bushel for their wheat at railway sidings instead of *f.o.b.* as hitherto. Whilst I am not a wheat-grower, I say with considerable confidence that there is nobody in this Chamber who has a greater interest in the farmer getting the biggest price for his wheat at the earliest possible date than I have. We all know that the storekeeper is the man who carries the farmer through his period of stress, and upon whom the greater part of the burden falls. But there is another unfortunate class in the community of whom I have never heard honorable members say a good word—I refer to the great wholesale merchants of Australia. May I remind my honorable friends opposite, who sometimes indulge in impassioned abuse of this class, that it is from the wholesale merchants that the storekeeper gets the money which enables him to carry the farmer over his time of stress and trouble.

Mr. STEWART.—From where does the wholesale merchant get it?

Mr. BRUCE. — From his bank, and from other institutions, but certainly not from excessive profits that he has made out of the people. Any profits that the most astute wholesale merchant could make would go no distance towards fulfilling the financial obligations which he is called upon to bear for the storekeepers, and, indirectly, for the farmer. I urge this point as a justification for my intervention in this debate. To-day we have heard a good deal of the utter unreasonableness of the man who does not interpret the promise made by the Prime Minister during the course of his policy speech, in the way that the honorable member for Calare (Mr. Lavelle) has interpreted it.

Mr. STEWART.—The 5s. per bushel guarantee at country stations last year meant a cash payment of that amount. Why does it mean something different this year?

Mr. BRUCE.—That question has been answered time and again to-day. It has been pointed out that the amount which had to be paid in respect of the guarantee for last year's harvest was a very small one, owing to the fact that that harvest was a failure. Whilst I am sure it was not the intention of my honorable friend, or of his political associates, to advertise the virtues of the present Government, they have certainly succeeded in doing so. The Government last year merely guaranteed the payment of 5s. per bushel for wheat, but out of the greatness of their hearts, they not merely fulfilled that guarantee, but actually took the place of the original purchaser, and paid over the money as soon as the wheat was delivered at the railway stations. This year the burden would be too great for any Government to carry, and Ministers are not sheltering themselves behind the position of a guarantor, but propose to stretch the financial resources of the Commonwealth to the utmost in order that the maximum amount may be paid to our farmers as soon as the wheat comes to hand.

Having dealt with the interjection of the honorable member for Wimmera (Mr. Stewart) I will not return to the statement made by the honorable member for Calare (Mr. Lavelle). He has affirmed that no sensible man can place any other interpretation upon the Prime Minister's promise than that a cash payment of 5s. per bushel was to be made to our farmers for all wheat, the moment it was delivered at our railway sidings. I do not know whether he is aware of what has been said upon this question by a very distinguished member of his own party—I refer to Mr. John Storey, the Premier of New South Wales? In July last, whilst attending the Premier's Conference, at which this question was raised, that gentleman said—

When the Commonwealth guaranteed 5s. per bushel, when did it propose to pay it?

The Prime Minister replied—

We did not say that we would provide it all at once.

Thereupon Mr. Storey said—

It is not proposed that the Commonwealth should pay it all at once. The proposal is that the Commonwealth should guarantee to pay the 5s. per bushel at whatever period it found it possible to do so.

The Premier of New South Wales, a very distinguished member of the Labour movement in this country, expressed that view, and I do not think that even the honorable member for Calare will suggest that he is not an intelligent man. I maintain that the view which he expressed is the only one which any man possessed of a knowledge of the English language can possibly entertain. In the light of Mr. Storey's statement, and of the statements by various members of the Country party, it seems to me that this motion of censure is a very regrettable one. It points to the fact that an opportunity has been seized by the political party opposite with a view to displacing the Government, and at the same time of ingratiating themselves with the primary producers of this country. In neither objective will they be successful, and I shall certainly vote against the motion.

Mr. CUNNINGHAM (Gwydir) [9.43].—I propose to make a few remarks upon this motion, not with a view to ingratiating myself with the primary producers—as has been suggested by the honorable member who has just resumed his seat—but in order to place my views before the House. The honorable member for Flinders (Mr. Bruce) has admitted that he grows no wheat, and probably knows nothing whatever about wheat-growing. The class to which he belongs may be written down as the greatest profiteers who have ever afflicted any country. It is upon record that the firm with which he is associated exhibited their patriotism during the war by charging for calico which they had purchased at 5½d. per yard, a price ranging from 1s. 8d. to 2s. per yard. In regard to his quotation of a statement by Mr. Storey, the Premier of New South Wales, at the Premiers' Conference, I should require to be in possession of the whole of the facts before pronouncing judgment upon it.

Honorable members opposite have stated that this motion is one which has been submitted by the Labour party "off its own bat." It seeks to censure the Government for their failure to make provision for a cash payment of 5s. per bushel at

railway sidings for this season's wheat. That promise is definitely set out in the Prime Minister's policy statement. There he pledged the Government to help the wheat-grower by guaranteeing him a payment of 5s. per bushel for wheat delivered at country railway stations in connexion with the 1920-21 harvest. Previously the guarantee has been paid when the wheat was delivered, and, consequently, the farmers were justified in thinking that the guarantee for this year would be upon the same basis, and would be paid in the same way. In support of my statement I desire to quote the opinions of some of the men who represent the farmers through their organizations, and of the farmers' press of the mother State. Commenting upon the statement made by the Prime Minister (Mr. Hughes) that the Government was not in a position, and had never intended, to pay the guarantee of 5s. per bushel in cash, the writer of the article says—

The statement of the Prime Minister in regard to the Wheat Pool, as published on this page, will be read with amazement and dismay by the men on the land that have been depending upon the fulfilment of a promise made by Mr. Hughes in his Bendigo policy speech in October of last year. There was nothing equivocal in that speech, in so far as the reference to the wheat guarantee was concerned. On that occasion he committed himself and his Government to a guarantee of 5s. per bushel at railway sidings in respect of the then ensuing harvest, and the 1920-21 harvest to follow. There was no suggestion that the payment was to be dependent on sales or on any other contingency; and this is borne out by the fact that in the harvest following the making of the promise, payments were made with promptitude, as quickly as the wheat certificates could be issued after delivery. The Government cannot withdraw from the pledge now, and the Prime Minister is committed, as an honorable man, to see to its fulfilment. If there is a breach of a solemn promise, the men that are affected, and the country as a whole, will have good reason to attribute it to the fact that, at the present time, there is no election pending, and that Ministers feel secure in their position. When a guarantee is given, it is a business axiom that the guarantor shall be competent. It was the duty of the Government to make such financial arrangements as would enable it to stand by its pledge without quibble or tergiversation. The country expects it to do the right and honest thing now by the men on the land who have loyally done their part.

With the assurance of an unexampled world demand this season, backed by a Government guarantee that would cover the more pressing

of the financial obligations of the farmers, an area was cultivated and sown in wheat that promises, under continued favorable conditions, to produce something like a record crop. But at this stage the Prime Minister draws back from his pledge, and tries to make out that his election promise does not bear the interpretation that has been given to it for twelve months past, and that the Wheat Board definitely acted on last season. The Prime Minister's attitude in regard to the wheat is likely to breed the liveliest distrust in the minds of the farmers. His action in throwing the responsibility for the care of the wheat off his shoulders and on to the various State Governments was not dignified or even decent. He appeared to have discovered that the job was too big for him, owing to the difficulty of securing adequate shipping. Now he comes in again at this stage with the cold comfort of an assurance that shipping is not available, and that it will take twelve months to shift the crop. We know that Europe is hungering for our wheat; the price offering is an unmistakable evidence of that. We know that world shipping is offering more freely; and if Australia is not getting its share, there is a very prevalent belief that the Government of the Commonwealth is responsible.

This is not a quotation from the *Worker* or any biased party organ. It is taken from the *Farmer and Settler*, the official organ of the Farmers and Settlers Association of New South Wales, of Friday 1st inst. If further corroboration be needed it is to be found in *The Land*, which is also a farmers' newspaper. In its issue of 24th ult., after dealing with certain aspects of the wheat position, it writes—

However, a matter of far graver importance, from the point of view of the wheat-farmers, is the question of the first payment under the guarantee of 7s. 6d. per bushel. Of this amount 5s. is to be the responsibility of the Commonwealth Government. The extra 2s. 6d. is the guarantee of the New South Wales Government, and it is to be made as a first payment. When the Prime Minister announced this guarantee, he stated that it would be 5s. at railway sidings for the 1920-21 harvest. Mr. Hughes added that "in wheat and all forms of primary production, the Government was out to stimulate and stabilize these essential industries." If that is the serious intention of the Government, it will have to make this 5s. per bushel a first payment. To pay the amount piece-meal, as wheat has been paid for in connexion with the other Pools, would be to inflict cruel hardship and injustice upon a class which has already been harassed in this way almost beyond the limit of endurance.

These quotations should effectively dispose of any suggestion that the Labour party does not represent the views of the farmers of Australia in submitting this

motion of censure with the object of not only emphasizing the seriousness of the position now confronting the farmers, but, if possible, removing the present Government, and substituting for it a Government that will be prepared to find the money to finance this guarantee, and so to keep faith with our primary producers. We are often told that the men on the land are the "back-bone" of the country, and it would seem that the Government are trying to break the back-bone of the country.

As a wheat-grower, I, like the honorable member for Wimmera (Mr. Stewart), interpreted the statement made by the Prime Minister at Bendigo as a guarantee that I would be paid, as I was in respect of the previous harvest, on delivery of my wheat at a railway siding. The area that I have under wheat, which is not inconsiderable, was sown by me in the belief that I was going to be paid cash at the railway siding, and I entered into certain financial obligations, which I contracted to meet at the time the harvest would be off, when I thought I should receive the money payable under the guarantee.

We have a good many branches of the Farmers and Settlers Association and the Primary Producers Union in my electorate, and many of them have asked me to impress upon the Government the necessity of honouring its guarantee as soon as the wheat is delivered at a railway siding. I have a number of letters from them on this subject. Here is one from the President of the Delungra branch of the Primary Producers Union, dated 11th September, 1920—

I have been requested by the farmers of the Delungra branch of the Primary Producers Union to write to you re the unsatisfactory position of the wheat-growers, and the guarantee of 5s. per bushel given by the Prime Minister (Mr. Hughes).

As the letter is rather lengthy I shall quote only those portions of it that are relevant to the question before the Chair—

Now, unless the Federal Government honours its promise, and makes the payment 5s. per bushel on delivery at railway siding, farmers will certainly be placed in a most difficult position, even if the State Government does not press for repayment of advances made under the Rural Industries Board.

In consequence of the drought the farmers are committed in various directions, and they have had to be financed by the

State Government under the Rural Industries Board. The money so advanced to them will be repayable in the early part of next year, if the Government presses the payment in accordance with the terms of the loan. I have also a letter from the secretary of a combined meeting of farmers and business men, which was held at Delungra, at which resolutions in practically the same terms were carried, although they were of a more drastic character. The secretary of the Narrabri branch of the Farmers and Settlers Association has forwarded me a copy of a resolution carried by it, the exact wording of which I cannot give, since at his request I have sent it along to the Prime Minister, but in it the branch presses for the payment of the guarantee of 5s. cash at railway siding as soon as the wheat is delivered, in order to obviate the serious financial stringency which would otherwise arise. The Secretary of the Farmers and Settlers Association at Kelvin, near Gunnedah, a wheat-growing centre, writes to me—

By direction of the members of my branch I have to ask that you will enter a protest against the payment of 2s. 6d. a bushel for wheat for this year.

That is a reference to the State Government's guarantee—

And I would also ask that you urge upon the Prime Minister the necessity of paying the full amount of the guarantee as a first payment.

Farmers generally in your electorate are in a bad way financially, and need every penny of the 7s. 6d. to carry on.

Here is a letter from Mr. R. R. Miller, Secretary of the Eulah Creek Progress Association—

Dear Sir,—As secretary of the Eulah Creek Progress Association, I have been instructed to write to you and state that at a meeting of that body, held on the 29th ultimo, a resolution "urging that both Federal and State Governments honour their guarantees to farmers of 5s. and 2s. 6d. per bushel, payable on delivery at country railway stations for the coming season's wheat, or, failing that, the Pool to be abandoned," was carried.

The association members hope you will do your best to have their motion successfully carried out.

In the *Tamworth Daily Observer* of the 19th inst., we read that—

The Molong farmers have decided to urge the Prime Minister to settle up all parts of the Wheat Pool and pay the proceeds to the growers, to enable them to carry on farming operations.

The meeting also resolved that unless the 5s. and 2s. 6d. guarantees were paid, the Molong farmers would seriously consider whether they would deliver their wheat this season.

I have also a letter stating that at a representative meeting of the farmers at Tamworth, a resolution was carried in which the following passage occurs—

That the meeting views with alarm the statement appearing in the press to the effect that the payment of the Federal Government's portion of the guarantee, viz., 5s. per bushel, may not be paid in cash.

Then again at Curlewis, another centre in my electorate, a meeting of farmers and settlers was held, and a newspaper report furnished by the secretary is as follows:—

A meeting of the branch was held on 18th September, when a big and representative attendance of members was present. The matter of the first cash payment on the new season's wheat was keenly discussed, and the following resolution was carried:—"That in the event of the Federal Government failing to fulfil the promise of the Prime Minister that a first cash payment of 7s. 6d. per bushel would be paid on delivery at country railway stations, we pledge ourselves not to remove one bushel of wheat from our farms until we are assured that full payment will be made as promised, and that we will use our influence to induce all wheat-growers throughout the State to do likewise."

Mr. RODGERS.—Where was that resolution passed?

Mr. CUNNINGHAM.—At Curlewis, some ten miles from Gunnedah. It is a fairly large centre. I may say in passing that I did not obtain a majority of the votes polled there at the last general election, and that the meeting would contain many Government supporters. These farmers decided to co-operate with the farmers at Gunnedah to hold a big mass-meeting on 1st inst. They realize what the position is, and we are now giving effect to their views, as expressed at public meetings, after the statement made by the Prime Minister as a result of the agitation commenced by the Labour party in this House. That was the first statement indicating the action the Prime Minister intended taking; and no matter how he dodges the issue, or how he may quibble over technicalities and terms, he is merely adopting the methods of men who practise the three-card trick in deceiving the people. It may be smart politics, but it is bad statesmanship; it is bad for the country, and those who support the Govern-

ment in their action are false to the best interests of the Commonwealth. They may deceive the farmers once, but they are not likely to do it a second time. The injury the Government are likely to do to the farming industry will take many years to recover; and if they endeavour to work the "thimble and pea" trick in connexion with the guarantee that was made on the hustings to enable them to be returned to power, they will have to answer to the people. The Government have been returned to office, but if they do not honour this pledge it will be at enormous cost to the whole community. The motion has been moved with the idea of stabilizing industry and forcing the hand of the Government by making them fulfil a promise that was made. I, as a small farmer, understood that I was to receive 5s. cash when my wheat was delivered at a railway siding; and I certainly had the right to expect it, in view of what happened in connexion with the previous guarantee.

At the sittings of the Peace Conference, the Prime Minister constantly referred to after-war problems and to the organization of industry. He was going to raise our primary and secondary industries to a height that had never before been realized. Is this the Prime Minister's way of encouraging after-war industry? Is this a means of settling after-war problems? When we are told that the money is not available to finance the scheme, we reply that if the war had lasted for another six months the necessary capital would have been found to finance it. Is not the stabilizing of industry laying the foundation on which our future progress must rest? During the period of the war, we were spending, approximately, £100,000,000 per year, and the amount required to finance this undertaking is £35,000,000. But it must be remembered that this is work of a reproductive character, and that the money, if advanced, would be in the form of a temporary loan, which would be repaid within twelve months by the sales of wheat. There would not be any difficulty in raising the money in Australia to meet the guarantee, and thus place the men on the land in a more satisfactory position than they otherwise would be in. I think it will be generally admitted that, if the Government do not adhere

to their promise, it will be the small farmers who will suffer the most, because the banking institutions do not give the consideration to the smaller men that they extend to those conducting operations on a larger scale. Generally speaking, the financial institutions do not wish to deal with the small farmer, and consequently we are the ones who have to experience the greatest hardships; because the margin between an existence and absolute poverty is much smaller in the case of the man who is farming 200 acres than one farming 2,000 acres. It is hard, indeed, for a small settler to meet his obligations unless he is assured of a cash payment when his wheat is delivered at a railway siding. The Government are deceiving the farmers of this country when they say that money cannot be raised, because, if the war had continued, it would have had to raise three times the amount involved in this connexion to carry on a work that was not reproductive, and one which added to the dead burden of unproductive debt to which the Treasurer (Sir Joseph Cook) has already referred.

The position is quite clear. The Government made a definite promise on the lines of a previous guarantee to pay cash at railway ridings, but they are now withdrawing from that position and are refusing to honour a definite pledge. The members of the so-called "Country party" are calmly swallowing the tale that has been thrust down their throats by the Prime Minister, and I regret very much that they do not intend to support the motion. I regret exceedingly that the Government have adopted this attitude, because, by doing so, they are dealing a very severe blow to the primary producers, and causing many hard-working settlers to pass uneasy days and nights in consequence of the difficulties they will experience in meeting their financial obligations. The Government, and those supporting them, including the honorable members on the corner benches, must bear the responsibility for the results that will naturally follow. The honorable member for New England (Mr. Hay), during the last election, refused to be called a Nationalist; but on every occasion when he has been present he has supported the Government. At times he has been absent, and on the last occasion, when the

Mr. Cunningham.

Government were in danger, he was conveniently out of the chamber, and did not vote. The honorable member was one of four who helped to save the Government, and it would be well for the farmers of this country to peruse the division lists—it does not matter how honorable members speak—to see how these honorable members voted. It is impossible for us to gauge the damage that will be done by the Government in adopting these tactics and it is particularly noticeable that the Acting Minister for Repatriation (Mr. Rodgers), who is usually very garrulous has been silent for months. Why does he not speak as he usually does? Why does he not support the farmers when their representatives are submitting a just case to Parliament? These are matters which require explanation, and I shall ask the farmers to closely watch the actions of such men. I do not speak from hearsay, because as a small farmer I know the position. I cleared, ploughed, and sowed my land, and know the whole business of wheat-growing from A to Z. The Government are deceiving us in this matter, and I trust that when the next election comes the people will remember that it is the representatives of this party who are forcing the hands of the Government; although I am afraid that, through the actions of the members of the so-called Country party, there is very little likelihood of the motion being carried.

MR. RODGERS (Wannon—Assistant Minister for Repatriation) [10.10].—I desire to place a few facts and figures before honorable members, and the farming community generally, in order that they may appreciate the magnitude of the proposal embodied in the motion. In my opinion, the motion is premature, because, first of all, that Bendigo promise stands. There has been no variation of it, and no suggestion to amend it. Its terms are clear and definite. They are as follows:—

In order to help the wheat-grower, the Government, in addition to its guarantee for the coming crop, will guarantee 5s. at railway sidings for the 1920-21 harvest.

There can be no doubt that what is meant by "railway sidings"—notwithstanding the laboured effort of the honorable member for Hume (Mr. Parker Moloney) to show that it meant while

the wheat was at the sidings—is a guarantee for the wheat at the railway sidings, *ex* railway freight, *ex* handling charges, and *ex* administrative charges, which are a substantial consideration. That is the true interpretation of the words I have quoted, and it has been acted on in all the last Pools. There is a conflict of opinion between two direct representatives of the farmers in this House as to the interpretation. I refer to the honorable member for Wimmera (Mr. Stewart) and the honorable member for Echuca (Mr. Hill). The honorable member for Echuca, who can be most relied on in this regard, is not only a direct representative of a farming constituency, but has been selected by the farmers of this State as their representative on the Wheat Board; and he has been in closer association with the administration of that body than any other man in the House. The honorable member bears out the Prime Minister (Mr. Hughes) as to the interpretation of the guarantee that was given. The position of the Government to-day is that it reiterates its guarantee, and will honour it. A conference has been called to consider what shall be the payments to be made on the delivery of the wheat. Whether that shall be 5s. or a lesser sum will be determined next week after consultation with the financiers, who, after all, have the main say in the matter; the financial organizations, plus the Government with its financial capabilities, will determine what the Government can provide and pay in respect of the wheat. I remind the House and the farmers of the country that there are two considerations to bear in mind. What is actually guaranteed? In regard to that, the language is clear and definite, but no date is fixed, and payment is to be made on the basis to which I have already alluded. The problem has been approached from the point of view of the requirements of the farmer, and the capacity of the country to make to him the maximum payment. I admit that, particularly, the farmers of New South Wales, who suffered a drought last year, are entitled to the fullest consideration. They were hit hard, and they had to buy wheat for seed at high prices, while the farmers in most of the other States, though not

in all parts, had a fair harvest and realized big prices.

I hope that the debate of to-day will not be taken outside Australia as meaning that our farmers are "down and out," for they are not that by any means. As a wheat-grower, and a direct representative of a wheat-growing State, I desire to place before the House and the country figures showing the relative position of the Australian producers for two quinquennial periods, namely, the five years terminating in the first year of the war, and the five successive years. In each period Australia suffered a drought, but, notwithstanding that, the result for both periods was as follows:—In the first five years, the wheat-growers lifted £72,800,000 in round figures; and, in the following five years, £136,800,000. In the case of wool, the return was, in the first period £136,657,000; and, for the second period, £108,541,000. I say, unhesitatingly, that the primary industries of the country, on the whole, are in a better position than they have ever been in the history of Australia. It is false policy, when the stability of a country is of the greatest concern amongst the nations of the world, to belittle its financial position. Just recently, trading strictures, more severe than at any period during the war, have been imposed on the country for purchases overseas; and it is a most serious matter. The reputation of the Australian trader for the due discharge of his obligations overseas stands amongst the highest in the world; and this is no time to belittle our credit.

Let me point out what would be involved in the proposal to pay 5s. per bushel immediately. It is well known that about 15,000,000 bushels will not reach the Pool, this being required for home consumption, seed requirements, and stock feed; but, on an estimate of 130,000,000 bushels being dealt with, an advance of 5s. per bushel would mean £32,500,000. In addition to that, railway freight, handling charges, and administrative charges would mean another 8d. per bushel, or £4,300,000 odd. We have also to consider that the New South Wales Government have superimposed on the Commonwealth guarantee another 2s. 6d. per bushel, making a total, in the case of that State,

of 8s. 2d. per bushel. It is a very sanguine estimate that the net result of the sale of Australia's wheat will much exceed 8s. 2d. per bushel. There is a limit to what Governments may do in guaranteeing returns, and at a time like this a guarantee of 8s. 2d. is perilously near the danger mark. The Government will have to fall back on other resources of the country. Wheat must be looked to to finance itself. The Commonwealth have undertaken a huge obligation.

The honorable member for Wimmera to-day said that the guarantee was given on the eve of an election; but I say that that is not so. An underaking had been previously given by the Prime Minister that for two years there would be a guarantee of 5s., and the guarantee in the case of the previous harvest was met in one lump sum. A guarantee was made and discharged on a crop of 35,000,000 bushels, requiring the payment of £8,750,000. On the previous harvest, a guarantee was made and discharged on a crop of 65,000,000 bushels, which absorbed the sum of £13,024,000. Now we are faced with a stupendous guarantee running into an estimated expenditure of £32,000,000 on wheat alone, without any charges being added, and it is idle to suggest that this money can be obtained without straining the financial resources of the Commonwealth.

Mr. CUNNINGHAM.—The Government raised a loan of £25,000,000 the other day.

Mr. RODGERS.—There is not the slightest doubt that the obligations to our soldiers will exhaust the whole of that £25,000,000 loan. The Leader of the Opposition (Mr. Tudor) is putting forward a special plea for the immediate payment of the guarantee of 5s. per bushel, and he proposes, in his motion, that the Government "be censured for their failure" to make provision for this payment. The arrangements are in course of negotiaton. The harvest is yet two months off. At any rate, no grain will be at the railway sidings within about two months, and the necessary arrangements could not be completed under, roughly, two months. The promise made by the Prime Minister has been kept; there has been no variation from it. Ordinary precautions have been taken to call financiers and the con-

stituent members of the Australian Wheat Board together in order to determine this vast question involving, as it does, an expenditure of close on £40,000,000.

I would like to say some words to honorable members who represent certain New South Wales constituencies, but cannot claim that, in all cases, they are the direct representatives of farmers. In many cases, I believe, they are here because there are not sufficient farmers in their constituencies to prevent their return by voting against them. At any rate, the organized farmers of Victoria have given their support either to honorable members sitting in the corner or to those sitting behind the Ministry. The honorable member for Gwydir (Mr. Cunningham) has been candid enough to say that the producers in his electorate did not all vote for him.

Mr. CUNNINGHAM.—The majority of them did.

Mr. RODGERS.—I want to point out that the coming harvest affords the producers of Australia a remarkable opportunity to put their house in order. Compared with pre-war estimates, we are to have a bumper yield. The prices being realized for the first sales are magnificent. But as there is not the slightest doubt that, sooner or later, we shall be obliged to face tight financial times—the values of all primary products are already on the down grade—it is necessary for our farmers, while they have a favorable opportunity of doing so, to put their house in order before those adverse times come upon them. I ask leave to continue my remarks on some future occasion.

Leave granted; debate adjourned.

JUDICIARY BILL.

Bill returned from the Senate without amendment.

NAVIGATION BILL.

Bill returned from the Senate with the message that the Senate had agreed to certain amendments; had disagreed to the substitution of a new clause for clause 23, and in place of it had amended the original clause.; and had agreed to the insertion of new clause 33A with amendments.

INCOME TAX BILL.

Bill returned from the Senate without request.

House adjourned at 10.28 p.m.

Members of the House of Representatives.

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Chairman of Committees—The Honorable John Moore Chanter.

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³Atkinson, Llewelyn .. Wilmot (T.)
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 William
 Bayley, James Garfield .. Oxley (Q.)
 Bell, George John, C.M.G., Darwin (T.)
 D.S.O.
 Best, Hon. Sir Robert Kooyong (V.)
 Wallace, K.C.M.G.
 Blakeley, Arthur .. Darling (N.S.W.)
 Blundell, Hon. Reginald Adelaide (S.A.)
 Pole
 Bowden, Eric Kendall .. Nepean (N.S.W.)
 Brennan, Frank .. Batman (V.)
 Bruce, Stanley Melbourne, Flinders (V.)
 M.C.
 Burchell, Reginald John, Fremantle (W.A.)
 M.C.
 Cameron, Donald Charles, Brisbane (Q.)
 C.M.G., D.S.O.
 Catts, James Howard .. Cook (N.S.W.)
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 Moore
 Chapman, Hon. Austin .. Eden-Monaro
 (N.S.W.)
²Charlton, Matthew† .. Hunter (N.S.W.)
⁴Considine, Michael Patrick Barrier (N.S.W.)
 Cook, Right Hon. Sir Parramatta (N.S.W.)
 Joseph; P.C., G.C.M.G.
 Cook, Robert .. Indi (V.)
 Corser, Edward Bernard Wide Bay (Q.)
 Cresset
 Cunningham, Lucien Gwydir (N.S.W.)
 Lawrence
 Fenton, James Edward .. Maribyrnong (V.)
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 gomerie
 Foster, Hon. Richard Wakefield (S.A.)
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 Francis, Frederick Henry Henty (V.)
 Gabb, Joel Moses .. Angus (S.A.)
 Gibson, William Gerrard Corangamite (V.)
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 Massy
 Gregory, Hon. Henry .. Dampier (W.A.)
 Groom, Hon. Littleton Darling Downs (Q.)
 Ernest
 Hay, Alexander .. New England
 (N.S.W.)
 Higgs, Hon. William Guy Capricornia (Q.)
 Hill, William Caldwell .. Echuca (V.)
 Hughes, Right Hon. William Bendigo (V.)
 Morris, P.C., K.C.

Jackson, David Sydney .. Bass (T.)
 Johnson, Hon. Sir Elliot, Lang, (N.S.W.)
 K.C.M.G.
 Jowett, Edmund .. Grampians (V.)
⁵Kerby, Edwin Thomas Ballarat (V.)
 John
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 Lavelle, Thomas James .. Calare (N.S.W.)
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 Mahon, Hon. Hugh .. Kalgoorlie (W.A.)
 Mahony, William George Dalley (N.S.W.)
 Makin, Norman John Hindmarsh (S.A.)
 Oswald
 Maloney, William .. Melbourne (V.)
 Marks, Walter Moffitt .. Wentworth (N.S.W.)
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 Ryan, Hon. Thomas West Sydney
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 Laune, K.C.M.G., C.B. (N.S.W.)
 Smith, Hon. William Denison (T.)
 Henry Laird
 Stewart, Percy Gerald .. Wimmera (V.)
 Story, William Harrison .. Boothby (S.A.)
 Tudor, Hon. Frank Gwynne Yarra (V.)
⁸Watkins, Hon. David .. Newcastle (N.S.W.)
 Watt, Right Hon. William Balacava (V.)
 Alexander, P.C.
 West, John Edward .. East Sydney
 (N.S.W.)
 Wienholt, Arnold .. Moreton (Q.)
 Wise, Hon. George Henry .. Gippsland (V.)

1. Sworn 27th February, 1920.—2. Sworn 3rd March, 1920.—3. Appointed Temporary Chairman of Committees, 4th March, 1920.—4. Made affirmation, 5th March, 1920.—5. Election declared void, 2nd June, 1920.
 —† Sworn 11th May, 1920.—6. Elected 10th July, 1920. Sworn 21st July, 1920.
 7. Appointed Temporary Chairman of Committees, 13th May, 1920.

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